

24th
ANNUAL REPORT
2010-2011



TRINETRA CEMENT LIMITED

24th Annual General Meeting

Date : 30th November 2011

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.

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NOTE

Shareholders are requested to note that the Registered Office of the Company stands shifted from Mumbai to Chennai and the same is situated at '**Dhun Building**', **827, Anna Salai, Chennai - 600 002** with effect from 17th October, 2011.



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.
(New address effective from 01.10.2011).

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

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Twentyfourth Annual Report together with the audited accounts for the year ended 31st March 2011.

FINANCIAL RESULTS

	(Rs. in Lakhs) For the year ended 31 st March	
	2011	2010
Profit/(Loss) before Interest & Depreciation	92.60	75.12
Less: Depreciation	513.53	7.37
Less: Interest	879.07	0.00
Profit/(Loss) before tax	(1300.00)	67.75
Provision for Tax	0.00	10.31
Profit/(Loss) after tax	(1300.00)	57.44

DIVIDEND

In view of the loss incurred, your Directors do not recommend any dividend for the year 2010-11.

CHANGE OF NAME OF THE COMPANY

The name of the Company stands changed from Indo Zinc Limited to Trinetra Cement Limited with effect from 18th March 2011, as per the "Fresh Certificate of Incorporation Consequent upon Change of Name" issued by the Deputy Registrar of Companies, Maharashtra, Mumbai.

SHARE CAPITAL

During the year, the Authorised Share Capital of the Company was increased from Rs.35 Crores to Rs.350 Crores. The Company has allotted 10,00,000 - 9% Non-Convertible Cumulative Redeemable Preference Shares of Rs.100/- each amounting to Rs.10,00,00,000/- in favour of The India Cements Limited, the holding company in March 2011.

FORFEITURE OF SHARES

The Board of Directors at its meeting held on 10th February 2011, in exercise of the power conferred by the Articles of Association of the Company, approved the forfeiture of 24,400 equity shares of Rs.10/- each for non-payment of allotment money amounting to Rs.1,22,000/-.

RIGHTS ISSUE

The shareholders of the Company have passed the requisite special resolution for offering equity shares and/or preference shares and/or other securities aggregating to Rs.300 crores on Rights basis or otherwise through postal ballot on 21.02.2011.

The Company has filed the draft Letter of Offer with Securities and Exchange Board of India (SEBI) on 30.03.2011 for offering the following securities amounting to Rs.289.79 crores on Rights Basis to the shareholders of the Company:

- 4,92,31,600 Equity Shares of Rs.10/- each at a price of Rs.22.50 (including share premium of Rs.12.50) per fully paid equity share aggregating to Rs.110.77 Crores on Rights basis in the ratio of 11 Equity Shares for every Equity Share held; and
- 1,79,02,400 Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs.100/- each at a price of Rs.100/- per share aggregating to Rs.179.02 Crores on Rights basis in the ratio of 4 OCRPS for every Equity Share held.

The Company will proceed with the Rights Issue once the clearance is received from SEBI.

The Company has already received advance towards share application money amounting to Rs.177.41 crores from the promoter companies towards their share of the subscription for the proposed rights issue.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' responsibility.

"We confirm

1. That in the preparation of the accounts for the year ended 31st March 2011, 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 2011 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, 2011 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.

PROJECT

The Company has commissioned a 1.5 million tonnes cement plant in Banswara District, Rajasthan and has commenced the commercial production in end January 2011. The Company has capitalized Rs.528.70 crores for the



cement plant as of 31st March 2011, including preoperative expenses and trial period costs.

The Company is in an advanced stage of completing a 20 MW captive power plant which is expected to be commissioned by September 2011. In addition to this, the Company is also in the process of enhancing the capacity of Limestone Stacker Reclaimer and the commissioning of Fly ash Handling System at Wanakbori Thermal Power Station. These proposals are also expected to be completed in the next six months.

The Company is also on the look out for expanding the capacity and in this connection, is in the process of acquiring mining leases and lands in various locations, which will enable the Company to plan expansions without any uncertainties.

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 net worth and the status has been continuing since then. In order to improve the financial position, the Company is planning to raise Rs.289.79 crores by way of rights issue and a draft Letter of Offer has already been filed with Securities and Exchange Board of India in this connection. On successful completion of the proposed Rights issue of securities, the net worth of the Company will turn positive thereby freeing the Company from 'potentially sick' category. In fact, the Company has already received advance towards share application money amounting to Rs.177.41 crores from the promoter companies towards their share of the subscription for the proposed rights issue. If this advance is reckoned as share capital, the net worth of the Company will significantly increase.

PUBLIC DEPOSITS

During the year under review, the Company has neither accepted nor invited 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 are 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.

PERSONNEL

The Company has no employee drawing a salary of Rs.5,00,000/- per month or above or which in aggregate was not less than Rs.60 lakhs during the year.

DIRECTORS

Sri N.Srinivasan, Dr.B.S.Adityan, Sri Arun Datta and Sri R.K.Das retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for reappointment.

Brief particulars on Directors eligible for reappointment in terms of Clause 49 of Listing Agreement are annexed to the Notice convening the 24th Annual General Meeting.

REGISTERED OFFICE

The shareholders of the Company have passed the requisite resolution for shifting the Registered Office of the Company from Mumbai in the State of Maharashtra to Chennai in the State of Tamil Nadu on 21.02.2011 through postal ballot. The Company has filed the requisite petition with the Hon'ble Company Law Board, Western Region Bench, Mumbai, seeking its confirmation for the same.

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.

Mr.S.A.Murali Prasad, Cost Accountant, Chennai, has been appointed as Cost Auditor for the year 2011-12 subject to approval by the Government of India.

M/s.Brahmayya & Co., Chartered Accountants, Chennai, have been appointed as Internal Auditors for the year 2011-12.

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 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 : 30th May, 2011

N. SRINIVASAN
Chairman

TRINETRA CEMENT LIMITED

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

A. Conservation of Energy:

(a) Energy conservation measures undertaken:

During the month of January, 2011 the plant has commenced its commercial production and the company is in the process of implementing the Energy conservation measures.

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

- i. Installation of HT & LT Capacitors for improving the power factor.
- ii. Installation of Cross Belt Analyzer (CBA) for optimizing raw mix to balance the effect of high silica experienced in the run of mine lime stone, to effect improvement in Kiln operations resulting in savings in Energy.
- iii. Use of alternate fuel (waste sludge).
- iv. Use of Grinding Aid to enhance production rate by 3% to 5%.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods:

The measures that are proposed to be taken / under implementation are expected to reduce the power consumption by nearly 4 to 5 units/Tn of cement and overall heat consumption by around 10-15 k.cals per kg. of Clinker.

(d) Total energy consumption and energy consumption per unit of production:

Given in Form'A' annexed.

B. Technology Absorption:

Efforts made in technology absorption:

Particulars given in Form 'B' annexed.

C. Foreign exchange earnings and outgo:

(a) Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans:

There were no export sales during the year under review.

(b) Total foreign exchange used and earned:

	Current Year	Previous Year
Used Rs.lakhs	-	-
Earned Rs.lakhs	-	-



FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		Current Year	Previous Year
A. POWER & FUEL CONSUMPTION			
1. Electricity			
(a) Purchased			
Units - KWH - Lakhs		188.42	NA
Total amount - Rs. Lakhs		852.37	NA
Rate per unit - Rs.		4.52	NA
(b) Own Generation			
(1) Through Diesel/Furnace Oil Genset			
Units - KWH - Lakhs		Nil	NA
Unit per Litre of Diesel/Furnace Oil-KWH		Nil	NA
Cost per unit - Rs.		Nil	NA
(2) Through Steam Turbine/Genset			
Units - KWH - Lakhs		Nil	NA
Unit per Litre of Furnace Oil/Gas-KWH		Nil	NA
Cost per unit - Rs.		Nil	NA
2. Coal for Kilns (various grades incl. Lignite)			
Quantity	Tonnes	16690	NA
Total Cost	Rs.Lakhs	1304.69	NA
Average Rate	Rs./Tonne	7817	NA
3. HSD/Furnace Oil for Kilns			
Quantity	K.Litres	28.00	NA
Total Cost	Rs.Lakhs	10.58	NA
Average Rate	Rs./K.Litre	37786	NA
4. Consumption per unit of Production			
	Standards (if any)		
Electricity (KWH/Tn of Cement)	110	131.09	NA
Coal Consumption Per Tn of Clinker (Depending on Quality of Coal)	20-25	14.27	NA
Diesel Oil/Furnace Oil per Tn of Cement (Litres)		Nil	NA

TRINETRA CEMENT LIMITED

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

Research and Development (R & D) :

- | | | |
|---|---|-------|
| 1. Specific areas in which R&D carried out by the Company | : |] Nil |
| 2. Benefits derived as a result of above R & D | : | |
| 3. Future plan of action | : | |

- | | | |
|---|---|-------|
| 4. Expenditure on R & D: | | |
| (a) Capital | : |] Nil |
| (b) Recurring | : | |
| (c) Total | : | |
| (d) Total R&D expenditure as a percentage of total turnover | : | |

Technology absorption, adaptation and innovation:

- | | | |
|--|---|------------------|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation. | : |] Not Applicable |
| 2. Benefits derived as a result of above efforts e.g. product improvement, cost reduction, product development, import substitution etc. | : | |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished | : | |
| (a) Technology imported | | |
| (b) Year of Import | | |
| (c) Has technology been fully absorbed | | |
| (d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action. | | |



MANAGEMENT DISCUSSION AND ANALYSIS

Economy - An Overview

The Indian Economy expanded at a better than expected pace of 8.9% in the second quarter of the current fiscal, prompting economic analysts and experts to project GDP Growth at 9% in 2010-11.

The growth rate of 8.9% in the second quarter depicts India as the second fastest growing large economy after China which recorded a growth of 9.6% in the quarter ended September 2010. The impressive performance of the Indian Economy in Q2 was propelled mainly by robust agricultural growth and the strong showing by the services sector.

The output of the six core infrastructure industries grew by 6.6% in December 2010 as against an expansion of 6.2% in December 2009 - driven by the good performance of the crude oil and petroleum refinery sectors.

Inflation

Inflation surged further during the year particularly more influenced by the food inflation and reached the double digits in several months during the year. However, it was back in single digit at over 9% over the week ended March 19, 2011 and this development was made possible by the fall in prices of pulses, though fruits and vegetables stayed dear during that week.

Industry Scenario

The cement industry which registered spectacular growth in double digits over the last few years entered a phase of deceleration with the demand slackening during the year under review. The industry's demand growth during the year was a meagre 4.7% according to information furnished by Cement Manufacturers' Association, which is the lowest in the last ten years. This aberration in the growth according to experts is due to the general slow down in the infrastructure and real estate sectors due to the rising cost of finance. The Reserve Bank of India had hiked the key rates - Repo and Reverse Repo almost 6 times in the year 2010 with a further dosage during the current year resulting in lending rates across all loans becoming costlier leading to a fall in demand.

While on the one hand, the growth in demand dropped steeply, on the other hand, in anticipation of all-round growth, the industry had ploughed in substantial money to create additional capacities of around 115 million tonnes in the last 3 years and with the slackening of this demand, the prices started declining due to fierce competition in the market and reached unremunerative levels during the second quarter of the year under review. This resulted in the reduced capacity utilization of the industry which fell to 76% in FY 2011 from

85% in FY 2010. However, during the second half of the financial year the industry was able to recover some portion of the lost ground with more remunerative prices enabling the industry to survive these troubled times.

An analysis of growth in demand regionwise indicate that the Western region and Eastern region continued with a double digit growth at 11.7% and 10.3% respectively; the North registered a growth of 3% and the Central 9.7%. The primary markets of your company are in parts of West, Central and North which have shown significant growth, which augur well for the company.

Company Performance

The unit was commissioned in phases with clinkerisation unit and the cement grinding operations and after initial teething troubles the commercial production of your company has started from end January 2011. The overall production, (including trial production) of clinker was 2.79 Lakh Ts while cement grinding was 3.24 Lakh Ts and the sales was at 3.16 Lakh Ts. (excluding trade sales of 0.60 Lakh Ts). The quality of cement from this unit has been acclaimed and well received by the markets. Besides the above, the unit also achieved 0.02 Lakh Ts of inland sale of clinker. The operating efficiencies of power and fuel were affected in the initial months due to stabilization period and are slightly coming down to normalcy towards the end of the year.

Opportunities, Threats, Risks and Concerns

The industry has been passing through a difficult phase which allows only a reduced capacity utilization. However, the utilization in the Central and North were better than the national average of 76% as primarily the lower utilization was caused by the units operating in the South. It may be seen that despite the slow down, the economy has clocked a growth of over 8% and with the thrust being given to development of infrastructure sector, the industry can expect a reasonable growth in the medium term. With the growth taking place in the markets served by your company, it is reasonably expected that the demand supply would balance, which would enable the unit to operate at higher levels of capacity than the units situated in the South. In order to overcome the constraints in the availability of power, your company is installing a 20 MW power plant to take care of its power requirements which is likely to go on stream by the 3rd quarter of the current fiscal. Your company is also exploring the possibility of using low cost alternate fuels including high moisture coal, which would help in mitigating ever increasing cost of fuel. The availability of trucks at such a remote place also posed lot of concerns, which has been overcome with deployment of dedicated trucks.

TRINETRA CEMENT LIMITED

Outlook

The advance estimate of GDP growth for 2010-11 released by CSO recently envisages the economy to grow by 8.6% in the current fiscal. Agriculture along with forestry and fishing is expected to record a sharp rise in growth from 0.40% just a year ago to 5.40% in 2010-11.

Manufacturing is set to expand at 8.8% on par with the growth in the last fiscal while the services sector is expected to post a 9.6% growth.

The agricultural sector has clearly benefitted from a normal monsoon and if sustained, will have a positive impact on rural employment and domestic consumption.

All these factors augur well for the normal growth and demand for cement at 8% to 9% which is the long term cumulative growth rate of the industry.

Value Enhancing Strategies

Your company has put up a plant at a strategic location to take care of the ever growing markets of North, Central and West which have also recorded a reasonable growth even during the previous year. To ensure uninterrupted operation of plant, the supply of power which is currently met through grid power is proposed to be replaced with a power plant. Steps are also taken to rationalize the cost of coal through securing long term linkages and also through usage of alternate low cost high moisture coal. To meet the fly ash requirement for production of PPC cement at this plant, the Company is in the process of installing a collecting system at Gujarat State Electricity Board's plant at Wanakbori in Gujarat. This will ensure adequate availability of fly ash for

utilization at the Company's cement plant. Your company has applied to the Government of Rajasthan for customized package of incentives for the plant, which is under process.

Your company has got minimum number of manpower across units and imparting multitasking skills for workers has been given top priority.

Human Resources & Industrial Relations

Industrial relations remained cordial throughout the year.

Internal Control Systems & their Adequacy

Your company has a well defined internal control system to support efficient business operations and statutory compliance. A strong in-house internal audit function which carries out concurrent audit of the plant and offices adds to the stability of the internal control systems. Suitable internal checks have been built-in to cover all monetary transactions with proper delineation of authority, which provides for checks and balances at every stage. The company has a strong system of budgetary control which covers all aspects of operations, finance, capital expenditure at a macro level on a monthly basis reporting directly to top management. All the physical performances and efficiency parameters are monitored on a daily basis and actions are taken then and there. The company has an Audit Committee of Directors to review financial statements to shareholders. The role and terms of reference of the Audit Committee cover the areas mentioned under Clause 49 of the Listing Agreement with Stock Exchanges and Sec.292A of the Companies Act, 1956 besides other terms as may be referred to by the Board of Directors from time to time.



CORPORATE GOVERNANCE

(As required by Clause 49 of the Listing Agreement with the Stock Exchanges)

A. MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY:

The Company's Philosophy on Corporate Governance aims at the attainment of the highest levels of transparency, accountability and responsibility in all operations and all interactions with its Shareholders, Investors, Lenders, Employees, Government and other stakeholders.

The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value consistently over a sustained period of time.

2. BOARD OF DIRECTORS:

The Board consists of 11 non-executive Directors including a non-executive Chairman.

The Board functions both as a full Board and through Committees. The Board and Committees meet at regular intervals. Policy formulation, evaluation of performance and control functions vest with Board, while the Committees oversee operational issues.

The Board has constituted four Committees viz., Audit Committee, Share Transfer Committee, Shareholders'/Investors' Grievance Committee and Share Issue Committee.

During the year 2010-2011, 6 Board Meetings were held on 14.04.2010, 28.05.2010, 13.08.2010, 12.11.2010, 31.12.2010 and 10.02.2011.

The composition of Directors, attendance at the Board Meetings during the year and the last Annual General Meeting and also number of other directorships and Committee memberships are given below:

Sl. No.	Name of the Director	Category of Directorship	No. of Board meetings attended (From 01.04.2010 to 31.03.2011)	Attendance at last AGM	No. of other Directorships held in public Companies	
					(As on 31.03.2011)	
					No. of Membership (M)/ Chairmanship(C) in other Board Committee(s)*	
1.	Mr.N.Srinivasan Chairman	Promoter, Non-Executive Director	5	No	13	3(M) & 2(C)
2.	Dr.B.S.Adityan	Independent, Non-Executive Director	1	No	4	3(C)
3.	Mr.Arun Datta	Independent, Non-Executive Director	3	No	2	1(M)
4.	Mr.R.K.Das	Independent, Non-Executive Director	3	No	8	1(M)
5.	Mr.N.R.Krishnan	Independent, Non-Executive Director	6	No	4	2(M) & 1(C)
6.	Mr.A.Sankarakrishnan	Independent, Non-Executive Director	6	No	4	2(M)
7.	Mr.L.Sabaretnam	Independent, Non-Executive Director	1	No	3	Nil
8.	Mr.T.S.Raghupathy	Promoter, Non-Executive Director	5	No	12	1(M)
9.	Mr.PL.Subramanian	Promoter, Non-Executive Director	4	No	1	1(M)
10.	Mr.R.Srinivasan	Promoter, Non-Executive Director	5	No	3	Nil
11.	Mr.V.M.Mohan	Promoter, Non-Executive Director	6	Yes	2	Nil

* only Audit Committee and Shareholders'/Investors' Grievance Committee are considered for the purpose.

3. AUDIT COMMITTEE:

The role and terms of reference of the Audit Committee cover the areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred to by the Board of Directors from time to time.

The Audit Committee met 4 times during the year on 28.05.2010, 13.08.2010, 12.11.2010 and 10.02.2011.

TRINETRA CEMENT LIMITED

The composition and attendance of the Audit Committee meetings are given below:

Sl. No.	Name of the Member	No. of Meetings held	No. of Meetings attended
1	Mr.A.Sankarakrishnan, Chairman	4	4
2	Mr.N.R.Krishnan	4	4
3	Mr.T.S.Raghupathy	4	3

The Company Secretary is also Secretary to the Audit Committee.

4. REMUNERATION COMMITTEE:

The Company has no Managing Director / Executive Director.

During the year ended 31st March, 2011, the Company has not paid any remuneration either in the form of commission or sitting fee to its non-executive Directors. Hence, the Remuneration Committee has not been reconstituted and no meeting was held during the year.

There are no stock options available / issued to any Director of the Company.

There has been no pecuniary relationship or transactions between the Company and Non-Executive Directors during the year 2010-2011.

There are no convertible instruments issued to any of the Non-Executive Directors of the Company. None of the directors holds any equity share of the Company.

5 a) SHARE TRANSFER COMMITTEE:

The shares received for transfer were registered in favour of transferees and certificates despatched within a month's time, wherever the documents received were in order and complete.

The Committee, during the year, met 7 times on 30.04.2010, 28.05.2010, 13.08.2010, 30.09.2010, 12.11.2010, 25.01.2011 and 25.03.2011 and approved the transfer of 63,900 equity shares in favour of transferee(s).

The composition and attendance of the Share Transfer Committee meetings are given below:

Sl. No.	Name of the Member	No. of Meetings held	No. of Meetings attended
1	Mr.N.Srinivasan, Chairman	7	7
2	Mr.T.S.Raghupathy	7	7

b) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:

During the year 2010 -2011, 14 complaints were received from shareholders and investors. All the complaints received during the year have generally been solved to the satisfaction of the complainants, except for disputed cases and sub-judice matters, which would be solved on final disposal by the Courts/Forums where they are pending.

During the year, the Shareholders' / Investors' Grievance Committee met three times on 06.07.2010, 11.10.2010 and 25.01.2011.

The composition and attendance of the Shareholders' / Investors' Grievance Committee meetings are given below:

Sl. No.	Name of the Member	No. of Meetings held	No. of Meetings attended
1	Mr.N.Srinivasan, Chairman	3	3
2	Mr.T.S.Raghupathy	3	3

Mr.S.Sridharan, Company Secretary is the Compliance Officer.

c) SHARE ISSUE COMMITTEE:

Share Issue Committee was constituted on 10.02.2011 for administration of further issue of securities amounting to Rs.300 crores as envisaged in the Special Resolution passed by the shareholders under Section 81 of the Companies Act, 1956 through postal ballot on 21.02.2011.

During the year, the Share Issue Committee met three times on 21.02.2011, 14.03.2011 and 30.03.2011. The Committee during the year allotted Non-convertible Cumulative Redeemable Preference Shares for Rs.10 Crores and finalised further issue of securities amounting to Rs.289.79 crores on Rights Basis to the existing shareholders.

The composition and attendance of the Share Issue Committee meetings are given below:

Sl. No.	Name of the Member	No. of Meetings held	No. of Meetings attended
1	Dr.B.S.Adityan, Chairman	3	3
2	Mr.N.Srinivasan	3	3
3	Mr.T.S.Raghupathy	3	3
4	Mr.V.M.Mohan	3	3



6 a) ANNUAL GENERAL MEETINGS:

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue	Special Resolution passed in the AGM by the shareholders
2007-2008	30.09.2008	4.00 p.m.	No. 601, Ravi Building, 189/191, Dr. D.N. Road, Fort, Mumbai - 400001	No
2008-2009	29.09.2009	12.00 Noon	No. 601, Ravi Building, 189/191, Dr. D.N. Road, Fort, Mumbai - 400001	No
2009-2010	30.09.2010	4.00 p.m.	Chembur Mahila Samaj Hall, Near Hotel Malhar, D K Sandu Marg, Chembur, Mumbai - 400071	No

b) POSTAL BALLOT:

During the year, the Company had conducted voting by postal ballot seeking the consent of the Members by way of special / ordinary resolutions for the following items of business as set out in the Notice dated 31.12.2010, sent to the members pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. The Board appointed Ms.B.Chandra, Practicing Company Secretary, as the Scrutinizer for conducting the voting through postal ballot in a fair and transparent manner. The Scrutinizer gave her Report and on the basis of the said Report, the results of the Postal Ballot in respect of each of the resolutions had been declared as passed with requisite majority on 21.02.2011.

Sl. No.	Particulars	Votes cast			
		In favour		Against	
		No. of Votes	%	No. of Votes	%
1.	Ordinary Resolution under Sections 94 and 16 of the Companies Act, 1956 for increase in Authorised Share Capital from Rs.35 crores to Rs.350 crores and amendment to the Memorandum of Association of the Company;	27,61,174	99.97	700	0.03
2.	Special Resolution under Section 31 of the Companies Act, 1956 for amendment of the Articles of Association of the Company;	27,60,974	99.99	400	0.01
3.	Special Resolution under Section 81 of the Companies Act, 1956 for further issue of Securities for an aggregate amount not exceeding Rs.300 Crores;	27,60,674	99.97	700	0.03
4.	Special Resolution under Section 21 of the Companies Act, 1956 for change of name of the Company from 'INDO ZINC LIMITED' to 'TRINETRA CEMENT LIMITED';	27,61,274	99.94	1600	0.06
5.	Special Resolution under Section 17 of the Companies Act, 1956, for alteration of the Situation Clause of the Memorandum of Association of the Company for shifting the Registered Office of the Company from Mumbai in the State of Maharashtra to Chennai in the State of Tamil Nadu;	27,60,774	99.98	600	0.02
6.	Ordinary Resolution under Section 198, 269 and 387 of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956, for appointment of Mr.Karan Vashisht as 'Manager' under the Companies Act, 1956; and	27,60,974	99.99	400	0.01
7.	Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 for mortgaging and/or charging of all the fixed assets pertaining to the Banswara Cement Plant of the Company for securing the working capital facilities of Rs.110 crores.	27,59,674	99.96	1200	0.04

No item of business requiring voting by postal ballot is included in the Notice convening the 24th Annual General Meeting of the Company.

TRINETRA CEMENT LIMITED

7. DISCLOSURES:

- a. During the year, there were no transactions of material nature with the directors or relatives that had potential conflict with the interest of the Company. Related Party transactions are disclosed in the Notes on Accounts forming part of this Annual Report.
- b. A certificate regarding review of financial statements and cash flow statement for the financial year ended 31st March 2011 and a declaration on Code of Conduct as required under Clause 49(V) & 49(I)(D) respectively of the Listing Agreement are annexed.
- c. During the year, there were no instances of non-compliance on any matter relating to the capital market.
- d. 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. 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 net worth and the status has been continuing since then. On successful completion of the proposed Rights issue of securities and sustained cement production, the net worth of the Company is expected to improve considerably.
- e. Presently, the Company does not have a Whistle Blower Policy.
- f. The Company has complied with all mandatory requirements of the Clause 49 of the listing agreement. As regards the non-mandatory requirements, the extent of compliance has been stated in Part B of this report.
- g. Details of information on reappointment of directors:
A brief resume, nature of expertise in specific functional areas, number of equity shares held in the Company by the Director or for other person on a beneficial basis, names of companies in which the person already holds directorship, membership of committees of the Board and relationship with other directors, forms part of the Notice convening the 24th Annual General Meeting.
- h. Code of Conduct for Prevention of Insider Trading:
The Company has adopted and implemented the Code of Conduct for Prevention of Insider Trading

based on SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended. The code prohibits purchase/sale of securities of the Company by an 'insider' including Directors, Designated employees etc., while in possession of unpublished price sensitive information.

- i. Code of Conduct for Directors and Senior Management:
The Company has framed and implemented Code of Conduct for its Directors and Senior Management. Affirmation on compliance of Code of Conduct for the financial year 2010-11 has been received from all the Directors and Senior Management personnel of the Company.
- j. Transfer to Investor Education and Protection Fund:
There is no amount due to be transferred to Investor Education and Protection Fund established by the Central Government.
- k. Unclaimed Shares:
The Company does not have any share(s) remaining unclaimed, issued pursuant to public / other issues.
- l. Forfeiture of Shares:
The Board of Directors of the Company at its meeting held on 10th February 2011 forfeited 24,400 equity shares of Rs.10/- each for non-payment of the allotment money.
- m. Subsidiary Company:
The Company does not have a subsidiary.

8. MEANS OF COMMUNICATION:

Quarterly, half yearly and annual/yearly financial results of the Company are filed with the stock exchanges and also published in the proforma prescribed by Stock Exchanges in the English newspaper 'Business Standard' and Marathi newspaper 'Nava Sakthi' for investors' information. As the Company publishes the audited annual results within the stipulated period of 60 days from the close of the financial year as required by the Listing Agreement with Stock Exchanges, the unaudited results for the last quarter of the financial year are not published.

9. GENERAL INFORMATION FOR SHAREHOLDERS:

- i. Date, time and venue : Please refer to the of the Annual General Meeting
Notice convening the 24th Annual General Meeting of the Company.



(In Rupees)

ii. Financial Year - 1st April to 31st March
(Provisional) : Will be published on or before

- Results for the quarter ending June 30, 2011. : 14th August, 2011
- Results for the quarter ending September 30, 2011 : 14th November, 2011
- Results for the quarter ending December 31, 2011 : 14th February, 2012
- Results for the quarter ending March 31, 2012 (audited) : 30th May, 2012

iii. Date of Book Closure : Please refer to the Notice convening the 24th Annual General Meeting of the Company.

iv. Dividend Payment Date : Not Applicable

v. Listing on Stock Exchanges:

- a. The Company's Equity Shares are listed on the following Stock Exchanges:
 - 1 Bombay Stock Exchange Limited, P.J. Towers, Dalal Street, Fort, Mumbai - 400001 (Stock Code:513428).
 - 2 The Delhi Stock Exchange Ltd., DSE House, 3/1 Asaf Ali Road, New Delhi - 110002 (Stock Code:6574).
 - 3 Ahmedabad Stock Exchange Limited, Kamadhenu Complex, Opp. Sahajanand College, Panjara Pole, Ambawani, Ahmedabad - 380015 (Stock Code:26480).
 - 4 Madhya Pradesh Stock Exchange Limited, 201, 'Palika Plaza', Phase-II, M.T.H. Compound, Indore - 452001 (Stock Code:146).
- b. The trading of Company's equity shares was revived at Bombay Stock Exchange Limited (BSE) w.e.f. 4th November 2010 and are traded in Group "T" category.
- c. The Company has paid the Listing Fee for the year 2011-2012 to BSE and has not paid the listing fees to other stock exchanges where the Company's equity shares are listed. The Company is reviewing the advisability of continuing the listing in the other stock exchanges.

vi. Market Price Data:

Trading of equity shares at BSE (Scrip Code 513428) was revived with effect from 04.11.2010. There was no trading in other Stock Exchanges. Therefore, price quotations are not available for other stock exchanges.

Month	Bombay Stock Exchange Limited	
	High	Low
November 2010	79.80	50.00
December 2010	65.20	48.10
January 2011	45.70	26.05
February 2011	27.35	21.55
March 2011	32.60	21.90

vii. Dematerialisation of shares:

As on 31st March 2011, 65.42% of the Company's Equity Shares have been dematerialized.

The ISIN Number allotted by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerializing the Company's shares is INE031L01014.

During the year 2010 - 2011, the company received 321 requests for dematerialization of shares. The Company has acted upon all valid requests received for dematerialization during the year 2010 - 2011.

viii. Registrar and Share Transfer Agents:

The Company has appointed Integrated Enterprises (India) Limited, Chennai, as Registrar and Share Transfer Agents (RTA). Shareholders / Investors/ Depository Participants are requested to send all their documents and communications pertaining to both physical and demat shares to the RTA at the following address:

Integrated Enterprises (India) Limited,
2nd Floor, "Kences Towers",
No.1, Ramakrishna Street, North Usman Road,
T.Nagar, Chennai - 600017.
Phone : 044-28140801 to 28140803;
Fax: 044-28142479
Email: corpserve@iepindia.com

ix. Share Transfer System:

Shares lodged in physical form with the Company/ RTA are processed and returned, duly transferred, within 30 days from the date of receipt, if the documents submitted are in order and complete. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.

x.a) Distribution of Equity Shareholding as on 31st March, 2011:

No. of Shares held	No. of shareholders	% of share-holders	No. of shares held	% of share holding
Upto 500	3796	91.78	599400	13.39
501-1000	213	5.15	182180	4.07
1001-2000	67	1.62	105800	2.36
2001-3000	13	0.31	32000	0.72
3001-4000	11	0.27	40800	0.91
4001-5000	4	0.10	19100	0.43
5001-10000	13	0.31	91500	2.04
10001 and above	19	0.46	3404820	76.08
TOTAL	4136	100.00	4475600	100.00

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b) Pattern of Equity Shareholding as on 31st March, 2011:

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	No. of shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV) x 100
(A)	Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals / Hindu Undivided Family	-	-	-	-	-	-	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	1	2739874	2739874	61.22	61.22	2295600	83.78
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(1)	1	2739874	2739874	61.22	61.22	2295600	83.78
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	1	2739874	2739874	61.22	61.22	2295600	83.78
(B)	Public shareholding						N.A	N.A
(1)	Institutions							
(a)	Mutual Funds/UTI	3	98000	-	2.19	2.19		
(b)	Financial Institutions / Banks	1	400	-	0.01	0.01		
(c)	Central Government / State Government(s)	-	-	-	-	-		
(d)	Venture Capital Funds	-	-	-	-	-		
(e)	Insurance Companies	-	-	-	-	-		
(f)	Foreign Institutional Investors	-	-	-	-	-		
(g)	Foreign Venture Capital Investors	-	-	-	-	-		
(h)	Any Other (specify)	-	-	-	-	-		
	Sub-Total (B)(1)	4	98400	-	2.20	2.20		
(2)	Non-institutions							
(a)	Bodies Corporate	56	247400	24600	5.53	5.53		
(b)	Individuals -							
	i) Individual shareholders holding nominal share capital up to Rs.1 lakh.	4041	979080	98400	21.87	21.87		
	ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	11	389446	63246	8.70	8.70		
(c)	Any Other (specify)							
	i. Resident - Hindu Undivided Families	3	1600	1600	0.04	0.04		
	ii. Non-Resident Individuals	18	19600	100	0.44	0.44		
	iii. Clearing Member	2	200	200	0.00	0.00		
	Sub-Total (B)(2)	4131	1637326	188146	36.58	36.58		
	Total Public Shareholding (B)= (B)(1)+(B)(2)	4135	1735726	188146	38.78	38.78	N.A.	N.A.
	TOTAL (A)+(B)	4136	4475600	2928020	100.00	100.00	2295600	51.29
(C)	Shares held by Custodians and against which Depository Receipts have been issued						N.A	N.A
	(1) Promoter & Promoter Group	-	-	-	-	-		
	(2) Public	-	-	-	-	-		
	TOTAL (C)	-	-	-	-	-	N.A	N.A
	GRAND TOTAL (A)+(B)+(C)	4136	4475600	2928020	100.00	100.00	2295600	51.29



xi. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity shares as on 31.03.2011:

No GDRs/ADRs/Warrants or any convertible instruments have been issued by the company and hence, there would not be any impact on the equity.

xii. Plant Location : Nokhla Village, Wajwana Post, Banswara District, Rajasthan.

xiii. Address for Correspondence

: Trinetra Cement Limited

Registered Office:

No.8, 2nd Floor, Kamanwala Chambers,

Opp. Bombay Stores,

Sir.P.M. Road, Fort, Mumbai 400001.

Tel. No. : (091) (022) 3241 5199/6524/0422

Fax No. : (091) (022) 2262 6313

Corporate Office:

'Coromandel Towers',

93, Santhome High Road,

Karpagam Avenue, R.A.Puram, Chennai - 600028.

Tel. No. : (091) (044) 28521526/28572 100/400

Fax No. : (091) (044) 28517198

For Investor Complaints

:

Contact Person

: Mr.S.Sridharan, Company Secretary

Email-Id

: trinetracementltd@gmail.com

B. NON-MANDATORY REQUIREMENTS

1. The Board - A Non-executive Chairman may be entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties. : At present, the Non-executive Chairman does not have any office at the Company's expense. No reimbursement of expenses is made by the Company for performance of his duties.

Independent Directors may have a tenure not exceeding, in the aggregate, a period of nine years, on the Board of a company. : No tenure has been fixed for independent directors.

The company may ensure that the person who is being appointed as an independent director has the requisite qualifications and experience which would be of use to the company and which, in the opinion of the company, would enable him to contribute effectively to the company in his capacity as an independent director. : This is ensured.

2. Remuneration Committee. : Please refer to Serial No. A - 4 of this Report.

3. Shareholders Rights- A half-yearly declaration of financial performance including summary of the significant events in last six months, may be sent to each household of Shareholders. : As the Company's half yearly results are published in one English newspaper having circulation all over India and in a Marathi newspaper, the same are not sent to the Shareholders of the Company. There is no publication of second half-yearly results as the annual results are approved by the Board and then published in the newspapers and also communicated to the shareholders through the Annual Report.

4. Audit qualifications - Company may move towards a regime of unqualified financial statements. : Nil

5. Training of Board Members - A Company may train its Board Members in the business model of the Company as well as the risk profile of the business parameters of the Company, their responsibilities as directors and the best ways to discharge them. : At present, the Company does not have any such Training programme for Directors.

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6. Mechanism for evaluating non-executive Board Members - : At present, the Company does not have any such mechanism for evaluating the performance of non-executive Board Members.
The performance evaluation of non-executive directors could be done by a Peer Group comprising the entire Board of Directors, excluding the director being evaluated; and Peer Group evaluation could be the mechanism to determine whether to extend / continue the terms of appointment of non-executive directors.
7. Whistle Blower Policy. : The Company does not have a Whistle Blower Policy.

The Ministry of Corporate Affairs, Government of India, has issued in December 2009 "Corporate Governance Voluntary Guidelines 2009". While the Board welcomes the issue of these guidelines intended for better governance of corporates, introduction of the recommended measures will be considered carefully at the appropriate time.

CEO AND CFO CERTIFICATION

To

The Board of Directors of Trinetra Cement Limited

In compliance with Clause 49(V) of the Listing Agreement with the Stock Exchanges, we hereby certify that:

- (a) We have reviewed financial statements and the cash flow statements for the year ended 31st March 2011 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2010-2011, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have not observed any deficiencies in the design or operation of internal controls.
- (d) We have indicated to the auditors and the Audit Committee that there are:
- (i) no significant changes in the internal control during the year;
 - (ii) no significant changes in accounting policies during the year; and
 - (iii) no instances of significant fraud where the involvement of management or an employee having a significant role in the Company's internal control system have been observed.

Place : Chennai
Date : 30th May, 2011

T.S. Raghupathy
Director

V.M. Mohan
Director

CODE OF CONDUCT - DECLARATION UNDER CLAUSE 49(I)(D)

This is to certify that:

1. In pursuance of the provisions of Clause 49(I)(D) of the Listing Agreement with Stock Exchanges, a Code of Conduct for the Board members and the Senior Management Personnel of the Company has been approved by the Board in its meeting held on 14.04.2010.
2. All Board members and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the period ended 31st March, 2011.

Place: Chennai
Date : 30th May, 2011

T.S. Raghupathy
Director

CHATURVEDI SK & FELLOWS
CHARTERED ACCOUNTANTS
F-2, VAISHALI, 1st FLOOR, V. MEHTA MARG, JVPD, JUHU, MUMBAI 400049
Telefax: (+9122) 67419960. E-mail: cskfelos@cskfelos.in

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Trinetra Cement Limited

We have examined the compliance of conditions of Corporate Governance by Trinetra Cement Limited (formerly known as Indo Zinc Limited), for the year ended 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Chaturvedi SK & Fellows
Chartered Accountants

Srikant Chaturvedi
Partner

(Firm Regn No. 112627W;
Partner's Membership No. 70019)

Place : Chennai
Date : 30th May, 2011

CHATURVEDI SK & FELLOWS
CHARTERED ACCOUNTANTS
F-2, VAISHALI, 1st FLOOR, V. MEHTA MARG, JVPD,
JUHU, MUMBAI 400049
Telefax: (+9122) 67419960. E-mail: cskfelos@cskfelos.in

AUDITORS' REPORT

To the Members of Trinetra Cement Limited.

We have audited the attached Balance Sheet of **TRINETRA CEMENT LIMITED** (formerly known as Indo Zinc Limited) as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement of the Company 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 from 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 the 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 section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraph 4 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

- b) 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 the books.
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and in our opinion comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- d) On the basis of written representation received from the directors as on 31.03.2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of provisions of Section 274(1)(g) of the Companies Act, 1956.
- e) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read with the notes to 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:
 - (i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011;
 - (ii) In the case of Profit & Loss Account, of the Loss for the year ended on that date;
 - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Chaturvedi SK & Fellows
Chartered Accountants

Srikant Chaturvedi
Partner

Place : Chennai (Firm Regn No. 112627W;
Date : 30th May, 2011 Partner's Membership No. 70019)

ANNEXURE TO THE AUDITORS' REPORT

Referred to in our report of even date on the accounts of **TRINETRA CEMENT LIMITED** (formerly known as Indo Zinc Limited) for the year ended 31st March 2011.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, the fixed assets were physically verified during the period by the management. No material discrepancies were noticed on such verification.
 - (c) The company has not disposed off substantial part of its fixed assets during the year.
2. (a) According to the information given to us, physical verification of inventory was conducted by the management during the year at reasonable intervals.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company is maintaining proper records of inventory. According to the information and explanations given to us, no material discrepancies were noticed on physical verification of inventories.
3. (a) The company has not granted any loans, secured and unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(b),(c) and (d) of the Order are not applicable.
 - (b) In our opinion and according to the information and explanations given to us, the company has not taken

any loans from the parties covered in the register maintained under Section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regards to the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and the explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. According to the information and explanations given to us, the Company did not do any transactions that needed entry in the register maintained under Section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public. The provisions of Section 58A and 58AA of the Companies Act, 1956 and the Rules framed thereunder are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We are informed that the Rules relating to maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for Cement industry were not applicable to the Company during the year.
9. (a) According to the records of the company, the company is generally regular in depositing undisputed statutory dues including Income tax, Sales tax, Custom duty, Excise duty, Provident Fund and other statutory dues applicable to it. According to information and explanation given to us, provisions of Employees' State Insurance Scheme were not applicable to the company during this year. According to information and explanation given to us, no undisputed amounts of above mentioned statutory dues were in arrears as at 31.03.2011 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, following amount of tax, duty or cess was under dispute hence not paid:

Nature of dues	Period	Amount Rs. in lacs	Forum where the dispute is pending
Rajasthan VAT	2008-09	2.09	CIT- Appeals

10. The company is registered for a period of more than five years. Its accumulated losses at the end of the financial year were more than fifty per cent of its net worth, not

considering share application money received towards proposed issue of equity and preference shares as part of net worth. The company incurred cash loss during the current financial year but made cash profit during the immediately preceding financial year.

11. In our opinion and according to the information and explanation given to us by the management, the company has not defaulted in repayment of dues to the financial institutions or banks or the debentureholders during the year.
12. The company has not granted loans and advances on the basis of security of shares, debentures and other securities.
13. The company is not engaged in the business of chit funds, nidhi, mutual benefit fund or mutual benefit society.
14. The company is not dealing or trading in shares, securities, debentures or other investments.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others.
16. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans availed by the company during the year were applied for the purpose for which they were obtained.
17. 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.
18. 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 during the year.
19. Company did not have any outstanding secured debentures as on the date of the Balance Sheet.
20. The company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For Chaturvedi SK & Fellows
Chartered Accountants

Srikant Chaturvedi
Partner

Place : Chennai (Firm Regn No. 112627W;
Date : 30th May, 2011 Partner's Membership No. 70019)

TRINETRA CEMENT LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	2011		2010	
		Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
SOURCES OF FUNDS					
1. Shareholders' Funds:					
a. Capital	1	1,448.78		448.78	
b. Share Application Money		17,741.68		1.00	
c. Reserves and Surplus	2	<u>3,887.03</u>	23,077.49	<u>4,087.53</u>	4,537.31
2. Loan Funds:					
a. Secured Loans	3	26,912.88		16,192.00	
b. Unsecured Loans	4	<u>53,569.41</u>	80,482.29	<u>48,997.63</u>	65,189.63
			<u>103,559.78</u>		<u>69,726.94</u>
APPLICATION OF FUNDS					
1. Fixed Assets:					
a. Gross Block	5	53,278.42		409.42	
b. Less: Depreciation		<u>722.35</u>		<u>209.50</u>	
c. Net Block		52,556.07		199.92	
d. Capital Work in Progress		<u>51,359.39</u>	103,915.46	<u>65,203.33</u>	65,403.25
2. Current Assets, Loans & Advances:					
a. Inventories	6	3,215.07		0.00	
b. Sundry Debtors		624.78		7.17	
c. Cash & Bank Balances		564.04		1,952.49	
d. Loans & Advances		<u>2,429.23</u>		<u>2,092.97</u>	
		6,833.12		4,052.63	
Less : Current Liabilities & Provisions	7	<u>12,004.12</u>	(5,171.00)	<u>3,244.26</u>	808.37
3. Profit and Loss account					
			4,815.32		3,515.32
			<u>103,559.78</u>		<u>69,726.94</u>

As per our Report of even date

For CHATURVEDI SK & FELLOWS
Chartered Accountants

N.SRINIVASAN
Chairman

T.S.RAGHUPATHY

SRIKANT CHATURVEDI
Partner
(Firm Regn. No. 112627W;
Partner's Membership No. 70019)

S.SRIDHARAN
Company Secretary

R.SRINIVASAN

V.M.MOHAN
Directors

Place : Chennai
Date : 30th May, 2011



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

	Note No.	Schedule	Rs. Lakhs	2011 Rs. Lakhs	2010 Rs. Lakhs
INCOME:					
Sales and Other Income		8		9,158.92	163.60
Less: Excise Duty				940.71	0.00
Total Income net of Excise Duty				<u>8,218.21</u>	<u>163.60</u>
EXPENDITURE:					
Manufacturing and Other Operating Expenses		9		5,308.97	9.40
Salaries, Wages and Amenities		10		325.74	1.83
Administration and Other Charges		11		188.65	76.68
Selling and Distribution Expenses	5			2,137.05	0.00
Interest & Other Charges (net)		12		879.07	0.00
Depreciation				513.53	7.37
(Increase) / Decrease in Stock		13		165.20	0.57
Total Expenditure				<u>9,518.21</u>	<u>95.85</u>
Profit / (Loss) before tax and extraordinary items				(1,300.00)	67.75
Extraordinary items :					
Share issue expenses			200.50		0.00
Less: Transfer from Share Premium			<u>(200.50)</u>	0.00	0.00
Profit / (Loss) before tax				(1,300.00)	67.75
Provision for taxes:					
Current Tax				0.00	10.31
Profit / (Loss) after tax				(1,300.00)	57.44
Balance from previous year				<u>(3,515.32)</u>	<u>(3,572.76)</u>
Balance carried to Balance Sheet				(4,815.32)	(3,515.32)
Earnings / (Loss) per Share (Rs.) - Basic	16			<u>(29.16)</u>	1.28
Earnings / (Loss) per Share (Rs.) - Diluted	16			<u>(29.16)</u>	1.28

Notes on Accounts

14

As per our Report of even date

For CHATURVEDI SK & FELLOWS
Chartered Accountants

N.SRINIVASAN
Chairman

T.S.RAGHUPATHY

SRIKANT CHATURVEDI
Partner
(Firm Regn. No. 112627W;
Partner's Membership No. 70019)

S.SRIDHARAN
Company Secretary

R.SRINIVASAN

V.M.MOHAN
Directors

Place : Chennai
Date : 30th May, 2011

TRINETRA CEMENT LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

SCHEDULE 1	No. of	2011	No. of	2010
	Shares	Rs. Lakhs	Shares	Rs. Lakhs
SHARE CAPITAL				
AUTHORISED:				
Equity Shares of Rs.10 each	150,000,000	15,000.00	25,000,000	2,500.00
Preference Shares of Rs.100 each	20,000,000	20,000.00	1,000,000	1,000.00
		<u>35,000.00</u>		<u>3,500.00</u>
ISSUED:				
Equity Shares of Rs.10 each	4,500,000	450.00	4,500,000	450.00
9% Non-convertible Cumulative Redeemable Preference Shares of Rs.100 each	1,000,000	1,000.00	0	0.00
		<u>1,450.00</u>		<u>450.00</u>
SUBSCRIBED AND PAID UP:				
Equity Shares of Rs.10 each	4,475,600	447.56	4,500,000	450.00
Less : Calls in arrears(Other than directors)	0	0.00	24,400	1.22
	<u>4,475,600</u>	<u>447.56</u>	<u>4,475,600</u>	<u>448.78</u>
9% Non-convertible Cumulative Redeemable Preference Shares of Rs.100 each	1,000,000	1,000.00	0	0.00
Add : Amount paid on Forfeited Shares, not re-issued (other than directors)		1.22		0.00
Total		<u>1,448.78</u>		<u>448.78</u>

- Notes: 1) 250,000 equity shares were allotted as fully paid bonus shares in the year 1992 by capitalisation of general reserve.
- 2) During the year 1994-95, the company allotted 384,000 equity shares as fully paid shares to the shareholders of erstwhile Mahi Cement Limited, the amalgamating company for consideration other than cash.
- 3) During the year 2010-11, the company increased its authorised share capital from Rs.35 Crores to Rs.350 Crores.
- 4) During the year 2010-11, the company forfeited 24,400 equity shares for non-payment of allotment money due on the said shares.
- 5) During the year 2010-11, the company issued 1,000,000 - 9% Non-convertible Cumulative Redeemable Preference Shares of Rs.100 each fully paidup. These Preference Shares shall be redeemable at the end of six years commencing from 14.03.2011, the date of allotment.

SCHEDULE 2 RESERVES AND SURPLUS

	2010	Additions	Withdrawals	2011
	Rs.Lakhs	Rs.Lakhs	Rs.Lakhs	Rs.Lakhs
Capital investment subsidy	15.00	0.00	0.00	15.00
Amalgamation reserve	153.60	0.00	0.00	153.60
Securities Premium	465.57	0.00	200.50	265.07
General Reserve	3,453.36	0.00	0.00	3,453.36
Total	<u>4,087.53</u>	<u>0.00</u>	<u>200.50</u>	<u>3,887.03</u>

Notes: *1 Securities Premium:

Amount withdrawn towards share issue expenses for the proposed rights issue.

SCHEDULE 3 SECURED LOANS

TERM LOANS	2011	2010
	Rs.Lakhs	Rs.Lakhs
Axis Bank Ltd	4,412.88	1,500.82
Infrastructure Development Finance Company Ltd	8,000.00	8,139.12
UCO Bank	6,000.00	501.10
Yes Bank Ltd	8,500.00	6,050.96
Total	<u>26,912.88</u>	<u>16,192.00</u>



SCHEDULE 3

SECURED LOANS (Contd.)

SECURITY:

Long Term loans are secured in favour of Axis Trustee Services Limited, the Security Trustee for the lenders namely Yes Bank Limited, UCO Bank, Axis Bank Limited and Infrastructure Development Finance Company Limited by hypothecation of Company's movable properties, both present and future, including current assets, movable machinery, machinery spares, tools and accessories, tangible and intangible assets of the Company, subject to prior charges on current assets created / to be created in favour of Company's bankers for securing the working capital facilities and further secured by a first pari passu charge on all the fixed assets of the Cement plant at Banswara, Rajasthan, pledge of shares held by Promoters and Corporate Guarantee from The India Cements Ltd.

SCHEDULE 4

UNSECURED LOANS

	2011 Rs.Lakhs	2010 Rs.Lakhs
The India Cements Ltd	52,542.27	48,997.63
Others	1,027.14	0.00
Total	<u>53,569.41</u>	<u>48,997.63</u>

SCHEDULE 5

FIXED ASSETS

Rs. Lakhs

Particulars	Gross Block				Depreciation		Net Block	
	As at 31 st March 2010	Additions	Deductions	As at 31 st March 2011	For the year	As at 31 st March 2011	As at 31 st March 2011	As at 31 st March 2010
Land	81.66	0.00	0.00	81.66	0.00	0.00	81.66	81.66
Buildings	229.98	1,305.12	1.34	1,533.76	10.81	178.81	1,354.95	61.30
Plant and Machinery including Electrical installations	49.06	51,185.31	0.00	51,234.37	444.25	466.62	50,767.75	26.82
Furniture and Office Equipments including Computers	48.72	107.67	0.00	156.39	21.50	39.95	116.44	30.14
Computer software	0.00	258.00	0.00	258.00	34.39	34.39	223.61	0.00
Vehicles	0.00	14.24	0.00	14.24	2.58	2.58	11.66	0.00
Total	409.42	52,870.34	1.34	53,278.42	513.53	722.35	52,556.07	199.92

TRINETRA CEMENT LIMITED

	2011 Rs.Lakhs	2010 Rs.Lakhs
SCHEDULE 6		
CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS:		
1. Inventories:		
Stores / Spares (including coal and packing material)	2,544.32	0.00
Raw Materials	106.32	0.00
Work-in-Process	67.64	0.00
Semi-finished Goods	196.78	0.00
Finished Goods	300.01	0.00
	<u>3,215.07</u>	<u>0.00</u>
2. Sundry Debtors:		
Debts outstanding for a period exceeding six months	0.00	7.17
Other debts	624.78	0.00
Total - Sundry Debtors - considered good	<u>624.78</u>	<u>7.17</u>
3. Cash, Stamps and Bank Balances:		
Cash, cheques and stamps on hand	4.95	91.48
Cash at Scheduled Banks in Current Accounts	552.84	1,855.19
Fixed Deposits with Scheduled Banks	6.25	5.82
	<u>564.04</u>	<u>1,952.49</u>
TOTAL (A)	<u>4,403.89</u>	<u>1,959.66</u>
B. LOANS AND ADVANCES:		
1. Secured:		
Housing and other Loans to employees including interest accrued	8.14	0.00
2. Unsecured (Considered Good):		
Advance for Goods	263.78	0.00
Other Advances recoverable in cash or in kind or for value to be received	2,164.59	2,437.60
Prepaid Expenses	18.26	0.16
Deposits	334.26	15.01
Less:		
Provision for Doubtful Advances	359.80	359.80
TOTAL (B)	<u>2,429.23</u>	<u>2,092.97</u>
TOTAL (A&B)	<u><u>6,833.12</u></u>	<u><u>4,052.63</u></u>

SCHEDULE 7

CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES:

Creditors for:

Goods including Letters of credit	3,407.83	0.00
Expenses (including liability as per Accounting Standard 15)	2,119.06	0.00
Capital Expenditure	2,184.83	2,402.01
Other Liabilities	785.95	842.25
Trade Deposits	1,791.02	0.00
Dues to holding Company	960.85	0.00
Interest accrued not due	77.39	0.00
Customers' Credit Balances	677.19	0.00
PROVISIONS	0.00	0.00
TOTAL	<u>12,004.12</u>	<u>3,244.26</u>



	2011		2010
	Rs.Lakhs	Rs.Lakhs	Rs.Lakhs
SCHEDULE 8			
SALES AND OTHER INCOME			
Sales including Excise Duty		9,059.95	6.73
Rent Recovery	0.10		0.00
Profit on Sale of Assets	4.84		81.52
Foreign Exchange translation difference	80.91		0.00
Miscellaneous Income	13.12		75.35
Total Other Income		98.97	156.87
Total		9,158.92	163.60
SCHEDULE 9			
MANUFACTURING AND OTHER OPERATING EXPENSES			
Trade Purchases		2,389.72	9.30
Raw Material Consumed:			
Opening Stock	0.00		0.00
Add: purchases	536.87		0.00
Own quarrying (Net) (Refer Note No.3)	287.08		0.00
Less: Closing Stock	106.32	717.63	0.00
Stores Consumed		36.99	0.00
Power and Fuel		2,157.06	0.00
Repairs & Maintenance		6.28	0.00
Excise Duty on stock adjustment		1.29	0.10
Total		5,308.97	9.40
SCHEDULE 10			
SALARIES, WAGES AND AMENITIES			
Salaries, Wages and Bonus		197.54	1.83
Contribution to Provident Fund		7.34	0.00
Gratuity		10.59	0.00
Superannuation		20.00	0.00
Employees' Provident Fund and Administration Charges		0.65	0.00
Workmen And Staff welfare Expenses		9.26	0.00
Unavailed leave / leave encashment		80.36	0.00
Total		325.74	1.83
SCHEDULE 11			
ADMINISTRATION AND OTHER CHARGES			
Rates and Taxes		11.46	0.00
Printing and Stationery		6.36	0.00
Postage, Telephones and Telegrams		9.88	0.00
Other Administration Expenses		114.26	73.58
Consultancy / Legal Fees		41.57	3.10
Auditors' Expenses:			
Audit Fees	3.00		0.00
Certifications / Others	1.47		0.00
Tax Audit / Other Services	0.65		0.00
Total		5.12	0.00
Total		188.65	76.68

TRINETRA CEMENT LIMITED

	2011		2010
	Rs.Lakhs	Rs.Lakhs	Rs.Lakhs
SCHEDULE 12			
INTEREST AND OTHER CHARGES (NET)			
Term loans from Banks/Financial Institutions		370.15	0.00
Others		477.02	0.00
Bank Charges		31.90	0.00
Total		<u>879.07</u>	<u>0.00</u>

SCHEDULE 13

(INCREASE) / DECREASE IN STOCK

Opening Stock:

As on 01.04.2010

Work-in-Process	0.00		0.00
Semi-finished Goods	0.00		0.00
Finished Goods	<u>0.00</u>		<u>0.57</u>
		0.00	0.57

From Trial Run Production (Net of Sales):

Work-in-Process	16.63		0.00
Semi-finished Goods	509.83		0.00
Finished Goods	<u>203.17</u>	729.63	<u>0.00</u>

Less:

Closing Stock of :

Work-in-Process	67.64		0.00
Semi-finished Goods	196.78		0.00
Finished Goods	<u>300.01</u>		<u>0.00</u>
		564.43	0.00
Total (Increase) / Decrease in stock		<u>165.20</u>	<u>0.57</u>

SCHEDULE 14

(A) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements:

The financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP), generally under the historical cost convention on accrual basis and exceptions to this basis, if any, are herein specifically mentioned. GAAP comprises of mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), the provisions of the Indian Companies Act, 1956 and the Guidelines issued by ICAI and Securities and Exchange Board of India (SEBI). Accounting policies have been consistently adopted except where a change in existing GAAP requires a change in accounting policy hitherto in use.

2. Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. Fixed Assets:

(a) Fixed Assets are stated at cost of acquisition or construction. All costs including financing and applicable overheads incurred on specific projects are capitalised.

(b) Expenditures and outlays of money on uncompleted projects of a capital nature are shown as capital work-in-progress until such time these projects are completed and put into commercial operation. Capital work-in-progress include advances paid for capital goods.

(c) Depreciation on Fixed Assets is provided in the following manner:

(i) The Company provides depreciation on Written Down Value method for Zinc Division Assets and Motor Vehicles.



SCHEDULE 14

SIGNIFICANT ACCOUNTING POLICIES (Contd.)

- (ii) Software development costs are capitalised and depreciated alongwith computers on Straight Line method as per Section 205(2)(b) of the Companies Act, 1956.
 - (iii) For all other Assets Straight-Line method as per Section 205(2)(b) of the Companies Act, 1956 is adopted.
 - (iv) Depreciation on additions is provided on pro-rata basis for the period for which assets are put to use.
 - (v) Assets costing less than Rs.5000 are fully depreciated in the year of purchase.
 - (vi) Leasehold land is not amortised.
 - (vii) Fixed Assets are tested for impairment and impairment loss, if any, is charged to the Profit and Loss Account.
4. Sale / Turnover include sale value of goods and excise duty thereon but exclude VAT.
 5. Inventories:
 - (a) Valuation of inventories of raw materials, packing materials, stores, spares, fuels is at weighted average cost.
 - (b) Work-in-Process (WIP) & Semi-Finished Goods are valued at cost or net realisable value whichever is lower. The value of WIP and Semi-finished goods does not include interest and other administrative overheads.
 - (c) Finished Goods are valued at cost or net realisable value whichever is lower. The value of Finished Goods includes excise duty and does not include interest and other administrative overheads.
 6. Borrowing Costs:

Interest and other costs in connection with borrowing of funds to the extent related/attributed to the acquisition / construction of qualifying Fixed Assets are capitalised upto the end of the month in which such assets are put into commercial operation. Other borrowing costs are charged to Profit and Loss Account.
 7. Claims / Incomes arising from price escalation and/or any other item of compensation and which are indeterminate are accounted on cash basis.
 8. Retirement benefits are provided by charge to revenue including provision for Gratuity and Superannuation Fund determined on an actuarial basis. The Actuarial gains/losses arising on retirement benefits are also recognised in the Profit and Loss Account. Unavailed leave balances are accounted based on respective Employee's earnings as at the Balance Sheet date.
 9. Foreign Currency Transactions:

Foreign Exchange transactions, on current account, are accounted at the exchange rates prevailing at the time of transactions or at contracted rates. Current Assets and Liabilities in Foreign Currencies are translated at values prevailing as at the Balance Sheet date. Gains / Losses, if any, arising therefrom are recognised in the Profit and Loss Account.

(B) NOTES ON ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH 2011

The name of the company was changed during the year from INDO ZINC LIMITED to TRINETRA CEMENT LIMITED with effect from March 18, 2011.

	2011 Rs. Lakhs	2010 Rs. Lakhs
1. Estimated amounts of Capital Expenditure Commitments	5,390.99	27,394.00
2. Monies for which the company is contingently liable:		
(a) Letter of Credit opened by Bankers	2,502.88	Nil
(b) Sales Tax demand for various years under dispute ITC on capital goods disallowed by ACTO for the year 2008-09	2.09	Nil
3. Raw Materials consumed:		
Own Quarrying includes:		
(i) Salaries & Wages	11.60	Nil
(ii) Stores Consumed	35.62	Nil
(iii) Royalty	122.90	Nil
4. Repairs and maintenance includes Stores & Spares	10.30	Nil
5. Selling and Distribution expenses include:		
(i) Packing Charges	293.92	Nil
(ii) Additional Sales Tax	22.61	Nil
(iii) Freight outwards	1,356.85	Nil
(iv) Advertisement	123.81	Nil

TRINETRA CEMENT LIMITED

SCHEDULE 14

NOTES ON ACCOUNTS (Contd.)

	2011 Rs. Lakhs	2010 Rs. Lakhs
6. Detailed quantitative information of goods manufactured during the Report Period:		
(a) Installed capacity in Tonnes (as certified by the management and relied upon by the auditors)	1,500,000	Nil
(b) Production - Quantity in Tonnes (excludes 148204 tonnes production during trial run)	175,508	Nil
(c) Sales – Quantity in Tonnes - Cement (excludes 140728 tonnes Sales during trial run)	175,147	Nil
(d) Sales – Quantity in Tonnes - Clinker (Closing Stock of 7,476 tonnes as on 31.1.2011 of cement has been netted off against Capital WIP)	2,131	Nil
Sales – Value of Cement [Gross] (excludes Trade Sales)	6,897.68	Nil
Sales – Value of Clinker [Gross]	32.39	Nil
(e) Opening Stock of Cement produced in Tonnes Value	Nil Nil	Nil Nil
(f) Closing stock of Cement produced in Tonnes Value (Exclude traded goods)	7,837.00 247.97	Nil Nil
7. Value of import on CIF basis:		
(a) Raw Materials	Nil	Nil
(b) Fuel	3,509.19	Nil
(c) Spare Parts and Components	Nil	Nil
(d) Capital goods	22.69	1,707
8. Expenditure and earnings in Foreign Currency (on accrual basis)	Nil	Nil
9. Details of imported and indigenous materials consumed during the year:		
Raw materials:		
Imported	Nil	Nil
Indigenous	717.63	Nil
Total	<u>717.63</u>	<u>Nil</u>
Percentage to Total Consumption:		
Raw materials:		
Imported	0.00%	Nil
Indigenous	100.00%	Nil
Total	<u>100.00%</u>	<u>Nil</u>
Spare Parts and Components:		
Imported	0.00	Nil
Indigenous	0.44	Nil
Total	<u>0.44</u>	<u>Nil</u>
Percentage to Total Consumption:		
Spare Parts and Components:		
Imported	0.00%	Nil
Indigenous	100.00%	Nil
Total	<u>100.00%</u>	<u>Nil</u>
10. Details of Raw Materials consumed:		
Quantity in Tonnes:		
Limestone	184,412	Nil
Gypsum	11,497	Nil
Others	31,173	Nil
Value:		
Limestone	311.12	Nil
Gypsum	159.88	Nil
Others	246.63	Nil
Total	<u>717.63</u>	<u>Nil</u>



SCHEDULE 14

NOTES ON ACCOUNTS (Contd.)

	2011 Rs. Lakhs	2010 Rs. Lakhs
11. There are no dues to Small Scale Industries which is outstanding for more than 30 days at the Balance Sheet date. The above information regarding Small Scale Undertaking has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.		
12. There are no dues to Micro, Small and Medium Enterprises which are outstanding as at the Balance Sheet date and there were no delays as per the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 in payment of dues to such Enterprises. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the Auditors.		
13. Related Party Disclosures: (Related Party relationships are identified by the company and relied upon by the Auditors)		
A. Names of the related parties and the nature of the relationship:		
The India Cements Limited	:	Parent Company and Holding Company of ICL Financial Services Limited
ICL Financial Services Limited	:	Holding Company
Key Management Personnel (KMP) Sri Karan Vashisht	:	Manager
B. Transactions with Related Parties:		
Purchase of Goods	2,389.72	Nil
Interest on Unsecured Loan	3,033.41	2,253.00
Loan Outstanding	70,282.95	48,997.63
Corporate Guarantee	31,500.00	31,500.00
Transactions with KMP		
Salary Paid	24.73	Nil
14. Deferred Taxation:		
In view of the losses incurred by the Company during last few years, the Company has accumulated net deferred tax assets of Rs. 770.24 lakhs as on 31.03.2011 (Rs.379 lakhs as on 31.03.2010) in terms of provisions of Accounting Standard 22 "Accounting for Taxes on Income", issued by the Institute of Chartered Accountants of India. However, following prudent accounting policy and the guidelines contained in paragraphs 15 to 18 of the said Accounting Standard, the management has decided not to make the adjustment in the books of accounts for the value of the said deferred tax assets until such time that there is reasonable certainty of realisation of the said deferred tax assets against sufficient future taxable income.		
15. Payment to Auditors (excluding Service Tax):		
For audit fee	3.00	2.00
For Certifications	1.47	Nil
For tax audit and other services	0.65	0.40
16. Computation of Earnings / (Loss) per Share (EPS):		
Earnings:		
Profit / (Loss) after tax but before extraordinary items (Rs. in lakhs)	(1300.00)	57.44
Less: Dividend on Preference Shares including Dividend Distribution tax	(5.18)	Nil
Profit / (Loss) after tax and extraordinary items (Rs. in lakhs)	<u>(1305.18)</u>	<u>57.44</u>
No. of Equity Shares - Weighted average (in lakhs)	44.75	45.00
Earnings Per Share - Basic and Diluted (Face value - Rs. 10 per share):		
Before extraordinary items (Rs.)	(29.16)	1.28
After extraordinary items (Rs.)	(29.16)	1.28

TRINETRA CEMENT LIMITED

SCHEDULE 14

NOTES ON ACCOUNTS (Contd.)

	2011 Rs. Lakhs	2010 Rs. Lakhs
17. Employee Benefits:		
The details of parameters adopted for valuation of post-employment benefit plans and leave benefits, as per Accounting Standard 15 issued by ICAI, are as under:		
(a) Leave of absence and encashment:		
The Company has different leave plans including paid leave of absence plans and encashment of leave plans for employees at different grades and provision has been made in accordance with Accounting Standard 15.		
The total amount of provision available for the unavailed leave balances as at 31 st March 2011 is Rs.79.33 Lakhs (as at 31 st March 2010: Rs.Nil Lakhs).		
(b) Gratuity:		
The Company has made a provision for Gratuity for Rs.10.59 Lakhs as per the actuarial valuation.		
18. Details of Preoperative expenditure:		
Amount brought forward from Previous Year	4,582.12	662.88
Add: Net Expenditure during the year	Nil	Nil
Borrowing costs	4,663.42	2,776.59
Other Preoperative expenditure (net of receipts)*	3,325.71	1,142.65
Less: Amount Capitalised during the year	12,457.99	Nil
Closing Balance included in CWIP	<u>113.26</u>	<u>4,582.12</u>
* Other Preoperative expenditure includes:		
Trial run production cost of:		
Raw Material including fuel	2,521.38	Nil
Power Cost	1,391.37	Nil
Freight	898.18	Nil
	<u>4,810.93</u>	<u>Nil</u>
Less: Sales during trial run production (Net)	3,927.07	Nil
Less: Value of Closing Stock	729.63	Nil
Net Cost	<u>154.23</u>	<u>Nil</u>
The Company commenced trial production in August 2010 and commercial production on 31 st January, 2011 and the net cost of trial run production till 31 st January, 2011 has been treated as preoperative costs and capitalised accordingly.		

19. Segment Results: The company operates in single segment, i.e., Cement.

20. Previous year's figures have been regrouped wherever necessary.



**(C) STATEMENT PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details:

Registration No.	<input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="8"/>	State Code	<input type="text" value="1"/> <input type="text" value="1"/>
Balance Sheet Date	<input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="1"/>		

II. Capital raised during the year (Amount in Rs. Thousands):

Public Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Rights Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. thousands):

Total Liabilities	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="8"/>	Total Assets	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="8"/>
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Sources of Funds:

Paid up capital*	<input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="6"/>
Reserves & Surplus	<input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="3"/>
Secured Loans	<input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="8"/>
Unsecured Loans	<input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="1"/>
Deferred Tax Liability	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

Application of Funds:

Net Fixed Assets	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="6"/>
Net Current Assets	<input type="text" value="-"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/>
Investments	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>
Miscellaneous Expenses	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>
Profit and Loss Account	<input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="2"/>

* Include Share application money

IV. Performance of the Company (Amount in Rs. thousands):

Turnover	<input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="1"/>	Total Expenditure	<input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="1"/>
Profit / Loss Before Tax	<input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	Profit / Loss After Tax	<input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>
Earnings Per Share in Rs.	<input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="."/> <input type="text" value="1"/> <input type="text" value="6"/>	Dividend Rate %	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

V. Generic names of the Principal Products / Services of the company (as per monetary terms):

Item Code No. (ITC Code)	<input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="1"/>	Product Description	<input type="text" value="C"/> <input type="text" value="E"/> <input type="text" value="M"/> <input type="text" value="E"/> <input type="text" value="N"/> <input type="text" value="T"/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>
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Signatures to Schedules 1 to 14

As per our Report of even date

For CHATURVEDI SK & FELLOWS
Chartered Accountants

SRIKANT CHATURVEDI
Partner
(Firm Regn. No. 112627W;
Partner's Membership No. 70019)

Place : Chennai
Date : 30th May, 2011

N.SRINIVASAN
Chairman

S.SRIDHARAN
Company Secretary

T.S.RAGHUPATHY

R.SRINIVASAN

V.M.MOHAN
Directors

TRINETRA CEMENT LIMITED

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

	2011	2010
	Rs. Lakhs	Rs. Lakhs
A. Cash flow from operating activities:		
Net Profit / (Loss) before tax and exceptional items	(1,300.00)	67.75
<i>Adjustments for non operating and non cash expenses:</i>		
Depreciation	513.53	7.37
Interest Expense	879.07	0.00
Bad & doubtful advances written off	0.00	68.00
Loss on sale of fixed assets	0.00	75.37
	<u>1,392.60</u>	<u>75.37</u>
	92.60	143.12
<i>Adjustment for non operating income:</i>		
Profit on sale of fixed asset	(4.84)	(81.52)
Provisions no more required	0.00	(68.00)
Interest received	0.00	(0.05)
	<u>(4.84)</u>	<u>(149.57)</u>
Operating profit before working capital changes	87.76	(6.45)
<i>Adjustment for changes in working capital:-</i>		
(Increase) / decrease in inventories	(3,215.07)	9.87
(Increase) / decrease in debtors	(617.61)	9.41
(Increase) / decrease in other receivables	(336.26)	(128.04)
Increase / (decrease) in trade payable and other liabilities	8,899.66	(14.11)
	<u>4,730.72</u>	<u>(122.87)</u>
Cash generated from operations	4,818.48	(129.32)
Less: Direct taxes paid	0.00	(65.61)
	<u>0.00</u>	<u>(65.61)</u>
Net cash from operating activities. (A)	<u>4,818.48</u>	<u>(194.93)</u>
B. Cash flow from investing activities		
Interest received	0.00	0.05
Sale of fixed assets	5.50	87.86
Purchase of fixed assets/		
Expenditure on cement project	(39,243.60)	(54,496.99)
Net cash used in investing activities. (B)	<u>(39,238.10)</u>	<u>(54,409.08)</u>
C. Cash flow from financing activities:		
Issue of 9% Non-convertible Cumulative Redeemable Preference Shares	1,000.00	0.00
Share application money received	17,740.68	0.00
Term loan from banks	10,720.88	16,192.00
Loan from Others	4,571.79	40,297.60
Interest Paid	(801.68)	0.00
Fees for Increase in Authorised Share Capital	(200.50)	0.00
Other unsecured loans/deposits	0.00	0.00
Net cash from financing activities. (C)	<u>33,031.17</u>	<u>56,489.60</u>
D. Net increase / (decrease) in cash & cash equivalents (A + B + C)	<u>(1,388.45)</u>	<u>1,885.59</u>
Cash and cash equivalents at the beginning of the year	1,952.49	66.90
Cash and cash equivalents at the end of the year	564.04	1,952.49

Note : Figures in brackets represent cash outflow.

As per our Report of even date

For CHATURVEDI SK & FELLOWS
Chartered Accountants

N.SRINIVASAN
Chairman

T.S.RAGHUPATHY

SRIKANT CHATURVEDI
Partner

(Firm Regn. No. 112627W;
Partner's Membership No. 70019)

S.SRIDHARAN
Company Secretary

R.SRINIVASAN

V.M.MOHAN
Directors

Place : Chennai
Date : 30th May, 2011



