



DIRECTORS' REPORT

Your Directors have pleasure in presenting their Twenty-ninth Annual Report together with the audited accounts for the year ended 31st March 2016.

FINANCIAL RESULTS

	(Rs. in Lakhs)	
	For the year ended 31 st March	
	2016	2015
Profit / (Loss) before Interest & Depreciation	7761.25	4846.52
Less: Interest	3155.75	3682.48
Less: Depreciation	3633.28	3546.84
Less: Forex Fluctuation Loss	40.25	34.89
Profit / (Loss) before Tax	931.97	(2417.69)
Provision for Tax	0.00	0.00
Profit / (Loss) after Tax	931.97	(2417.69)

DIVIDEND

In view of the accumulated losses, your Directors do not recommend any dividend for the year ended 31st March, 2016.

OPERATIONS

The performance of the Company has been discussed in detail in the "Management Discussion and Analysis" section. The Company achieved its highest ever clinker and cement production during the year under review. The clinker production was 9.78 lakh tonnes (8.68 lakh tonnes) while the cement production was at 13.46 lakh tonnes (12.10 lakh tonnes). The sale of cement was also brisk at 13.47 lakh tonnes (12.22 lakh tonnes). The Company achieved significant economies in cost through better blending, higher kiln output and reduction in power consumption.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34(2) of Securities and Exchange Board of India [Listing Obligations and Disclosure Requirements] Regulations, 2015 [SEBI (LODR) Regulations 2015] a Management Discussion and Analysis Report is given as addition to this report.

CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) of SEBI (LODR) Regulations 2015, a report on Corporate Governance along with Auditors' Certificate confirming its compliance is included as part of the Annual Report of the Company.

AMALGAMATION WITH THE INDIA CEMENTS LIMITED

The Scheme of Amalgamation between the Company and Trishul Concrete Products Limited with The India Cements Limited has been approved by the shareholders at the Court Convened Meeting held on 25.03.2015. Petitions have been filed in the Hon'ble High Court of Judicature at Madras under Sections 391 to 394 of the Companies Act, 1956 for sanction of the said Scheme.

MATERIAL CHANGES AND COMMITMENTS SINCE 31ST MARCH, 2016

There have been no material changes and commitments affecting the financial position of the Company which have occurred between 1st April, 2016 and the date of this report other than those disclosed in the financial statements.

RISK MANAGEMENT POLICY

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and Regulation 17(9) of SEBI (LODR) Regulations 2015, the Company has developed and implemented a Risk Management Policy. The Policy envisages identification of risk and procedures for assessment and mitigation thereof.

INTERNAL FINANCIAL CONTROLS

In accordance with Section 134(5)(e) of the Companies Act, 2013 and Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, the Company has an Internal Financial Control Policy and Procedure commensurate with the size and nature of its operations and financial reporting.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

Pursuant to Rule 8(5) (vii) of Companies (Accounts) Rules, 2014, it is reported that during the year 2015-16, no significant and material Orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees or provided security to any person or other body corporate during the financial year attracting the provisions of Section 186 of the Companies Act, 2013.

CONSERVATION OF ENERGY, ETC.

In terms of Section 134(3)(m) of the Companies Act, 2013 and the Rule 8(3) of Companies (Accounts) Rules, 2014, the information relating to Conservation of

TRINETRA CEMENT LIMITED

Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in Annexure 1.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

A report on the CSR activities initiated voluntarily by the Company towards discharging its social responsibility during 2015-16 is given in Annexure 2.

VIGIL MECHANISM

In accordance with Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations 2015, the Company has established a Vigil Mechanism and has a Whistle Blower Policy. The policy is available at the Company's website www.trinetacement.com.

TRANSACTIONS WITH RELATED PARTIES

All the Related Party Transactions are presented to the Audit Committee and the Board on quarterly basis specifying the nature, value and terms and conditions of the transactions. Prior omnibus approval is obtained for transactions which are foreseen and repetitive nature. Particulars of contracts and arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 have been given in the prescribed form AOC-2 in Annexure 3. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website www.trinetacement.com.

PUBLIC DEPOSITS

During the year under review, the Company neither invited nor accepted any public deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Also there were no outstanding public deposits at the beginning or end of the year.

INDUSTRIAL RELATIONS & PERSONNEL

Industrial relations continued to remain cordial during the year. No employee received remuneration in excess of the limits prescribed under Section 197 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form No. MGT-9 is attached as Annexure 4 which forms part of this Directors' Report.

DIRECTORS

Sri V.M.Mohan retires by rotation at the ensuing Annual General Meeting of the Company and is eligible for re-appointment. Resolution on his re-appointment as director, is included in the Notice convening the 29th Annual General Meeting of the Company.

Under Section 149 of the Companies Act, 2013, Sri Arun Datta, Sri R.K.Das, Sri N.R.Krishnan, Sri L.Sabaretnam and Sri V.Manickam, were appointed as Independent Directors of the Company for a term of two consecutive years with effect from 30th December 2014 to 29th December 2016 or the date of 29th Annual General Meeting of the Company, whichever was earlier. The Company proposes to re-appoint Sri Arun Datta, Sri N.R.Krishnan, Sri L.Sabaretnam and Sri V.Manickam, as Independent Directors of the Company to hold office for a second term of 2 consecutive years from 28th September, 2016 to 27th September, 2018 and special resolutions for their re-appointments as Independent Directors of the Company are included in the Notice convening the 29th Annual General Meeting of the Company.

Brief particulars of Directors eligible and proposed for re-appointment in terms of Regulation 36(3) of SEBI (LODR) Regulations, 2015 are annexed to the Notice convening the 29th Annual General Meeting. The Directors proposed for re-appointment are not related to each other.

KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of the Company are Sri T.S.Raghupathy, Chief Executive Officer, Sri R.Srinivasan, Chief Financial Officer and Sri S.Sridharan, Company Secretary (till 31.03.2016). Sri B. Srinivasa Rao has been appointed as Company Secretary with effect from 26th May, 2016.

MANAGER

The Board of Directors has at the meeting held on 26th May, 2016, based on the recommendation of Nomination and Remuneration Committee, re-appointed Sri T.S.Raghupathy, Director, as 'Manager' under the Companies Act, 2013 without any remuneration for a period of three more years with effect from 12th November, 2016. Necessary resolutions seeking the approval of the shareholders for his re-appointment as 'Manager' are included in the Notice convening the 29th Annual General Meeting of the Company.

**INDEPENDENT DIRECTORS**

The declarations given by Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013, have been received by the Company. The Company has been arranging training programmes for independent directors in a phased manner. The details of familiarisation programme for Independent Directors are available on the Company's website www.trinetacement.com.

ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance and that of the directors individually the working of its Audit, Nomination and Remuneration and other Board Committees.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a Policy for selection and appointment of Directors, Key Managerial Personnel and other employees and their remuneration for implementation.

No remuneration, including sitting fee has been paid to any director. The remuneration of Key Managerial Personnel has been paid by the holding company, namely, The India Cements Limited.

BOARD MEETINGS

During the year, 4 Board Meetings were held. The details of meetings of the Board and its various Committees are given in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors make the following statement in terms of Section 134(5) of the Companies Act, 2013.

"We confirm that:

1. in the preparation of the annual accounts for the year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to any material departures;
2. 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, 2016 and of the profit of the Company for that year;

3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts for the year ended 31st March, 2016 have been prepared on a going concern basis;
5. internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and are operating effectively;
6. proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and operating effectively."

AUDIT COMMITTEE

The Audit Committee has 3 members out of which 2 are Independent Directors. The details of composition of the Audit Committee are given in the Corporate Governance Report. There has been no instance, where the Board has not accepted any recommendation of Audit Committee.

AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and Companies (Audit & Auditors) Rules, 2014, M/s.Chaturvedi SK & Fellows, Chartered Accountants, Mumbai, Auditors of the Company, retire at the ensuing Annual General Meeting and are proposed to be appointed as Statutory Auditors to hold office from the conclusion of the 29th Annual General Meeting until the conclusion of the 30th Annual General Meeting.

The Company has obtained a written consent for their appointment as Auditors of the Company along with a Certificate confirming that the appointment, if made, would be in accordance with the conditions and criteria as prescribed under Section 141(3) of the Companies Act, 2013.

A resolution for the appointment of M/s.Chaturvedi SK & Fellows, Chartered Accountants as statutory auditors of the Company is included in the Notice convening the 29th Annual General Meeting.

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M/s. Chevaturi Associates, Chartered Accountants have been appointed as Internal Auditors for the year 2016-17.

Sri S.A.Murali Prasad, Cost Accountant, Chennai, has been appointed as Cost Auditor for the year 2016-17 at a remuneration of Rs.1 lakh. The remuneration is subject to ratification of members and hence is included in the Notice convening the 29th Annual General Meeting of the Company.

Pursuant to Section 204 of the Companies Act, 2013, Mrs.P.R.Sudha, Company Secretary in Practice, Chennai has been appointed as Secretarial Auditor of the Company for the year 2016-17.

The Secretarial Audit Report in Form No. MR-3, as prescribed under Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014, given by Mrs.P.R.Sudha for the Financial Year 2015-16, is enclosed as Annexure 5. The Secretarial Audit Report does not contain any qualification, reservation or other remarks.

ACKNOWLEDGEMENT

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

for and on behalf of the Board

Place: Chennai
Date : 26th May, 2016

N.SRINIVASAN
Chairman

Annexure - 1

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo for the year ended 31st March 2016

Information pursuant to Section 134 3(m) of the Companies Act, 2013 read with the Rule 8 (3) of Companies (Accounts) Rules, 2014.

A. Conservation of Energy:

(a) Energy conservation measures undertaken include:

- i. Continuous process diagnosis studies to improve the outputs of the various sections which resulted in reduced power consumption during the year.
- ii. The power factor improvement up to 0.99 under progress.
- iii. Regular load study of all equipments to reduce the load losses.
- iv. Further improvement of blending in cement to reduce the overall power consumption and thereby the reduction in carbon emission.
- v. Fuller utilization of thermal power plant capacity and optimum utilisation of IEX power during shut down of the power plant.
- vi. Installation of higher size truck tippler to unload heavier vehicles to fully automate the unloading operation, reducing the handling losses.

(b) Steps taken by the Company for utilising alternative sources of energy:

- i. Solar lights are being installed in various stages at all the plant locations.
- ii. Replacement of HPSV lights with high efficiency LED lights.

(c) Additional investments and proposals for energy reduction:

- i. Installation of high efficiency VFD damper control in process fan for power saving.
- ii. Installation of lighting sensors and GPS based timer for switch lights of plant and building.

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

During the year the power consumption has come down by more than 2.6 units per ton of cement while the heat consumption came down marginally. Further steps are expected to improve the power consumption by additional 2 units and heat consumption by 10 Kcal.

Capital investment on energy conservation equipments: NIL