

36th Annual Report 2012



TRITON
VALVES LTD

Challenging Excellence

OUR MISSION

WE DON'T JUST
MANUFACTURE
TYRE VALVES.
OUR GREATER CAUSE
IS SAFETY IN THE
MOVEMENT OF PEOPLE
AND GOODS IN INDIA.

OUR VISION

OUR VISION IS TO SET
GLOBAL BENCHMARKS OF
EXCELLENCE IN EVERY
ASPECT OF BUSINESS.

OUR VALUES

PEOPLE

AT TRITON, WE HAVE TRAVELLED MANY A MILE ON THE ROUGH ROAD TO SUCCESS. BUT WE HAVE RACED PAST EVERY FRONTIER AND MILESTONE, RIDING ON THE UNPARALLELED STRENGTH OF OUR PEOPLE. AS THE MOST IMPORTANT FORCE OF OUR BUSINESS, WE HAVE ALWAYS ENDEAVOURED TO RESPECT AND EMPOWER THEM, THEREBY BRINGING OUT THE BEST IN EACH.

CRAFTSMANSHIP

AT TRITON, THE SPIRIT OF CRAFTSMANSHIP IS AT THE HEART OF ALL THAT WE DO. PAYING ATTENTION TO THE SMALLEST DETAILS AND BEING METICULOUS AND THOUGHTFUL IN OUR DAILY ACTIVITIES MEANS THAT OUR VALVES AND CORES ARE PRECISION CRAFTED PRODUCTS.

EXCELLENCE

WE HAVE AN INNATE DESIRE TO EXCEL IN WHATEVER WE DO, HOWEVER SMALL OR BIG THE TASK MAY BE. ALWAYS ON THE TRAIL OF NEWER FRONTIERS AND BENCHMARKS, PHILOSOPHIES LIKE 'GET IT RIGHT THE FIRST TIME'; 'ZERO-DEFECT' AND 'CUSTOMER COMES FIRST' ARE A WAY OF LIFE WITH US.

PASSION

WE WEAR THE TRITON BADGE ON OUR HEARTS AND IT IS THIS PASSION THAT ALLOWS US COMMON PEOPLE TO ATTAIN UNCOMMON RESULTS EVERY TIME. TEAM TRITON HAS ALWAYS BEEN ABOUT COMING TOGETHER, SHARING TOGETHER, WORKING TOGETHER, AND SUCCEEDING TOGETHER.

CUSTOMER SUCCESS

AT TRITON, WE DON'T AIM TO MERELY SATISFY OUR CUSTOMERS. IT IS THE SUCCESS OF OUR CUSTOMERS FOR WHICH WE STRIVE. WE TRULY BELIEVE THAT OUR CUSTOMERS' SUCCESS IS OUR SUCCESS.

ETHICS

AT TRITON, UNCOMPROMISING ETHICS IS ROOTED IN OUR VERY DNA. WE ARE COMMITTED TO BEING TRANSPARENT, FAIR AND HONEST AND WE WORK WITH THE HIGHEST LEVELS OF INTEGRITY WITH RESPECT TO OUR PEOPLE, THE ENVIRONMENT AND SOCIETY AT LARGE.

JOY OF LIFE

THE SMILE ON A CUSTOMER'S FACE, THE THRILL OF SOLVING A PROBLEM, THE SHEER JOY OF SUCCESS. AT THE END OF THE DAY, ENJOYING WHAT WE DO IS WHY WE GO TO WORK. WE STRIVE TO BUILD AN ECOSYSTEM CALLED TRITON BASED ON THIS JOY OF LIFE.

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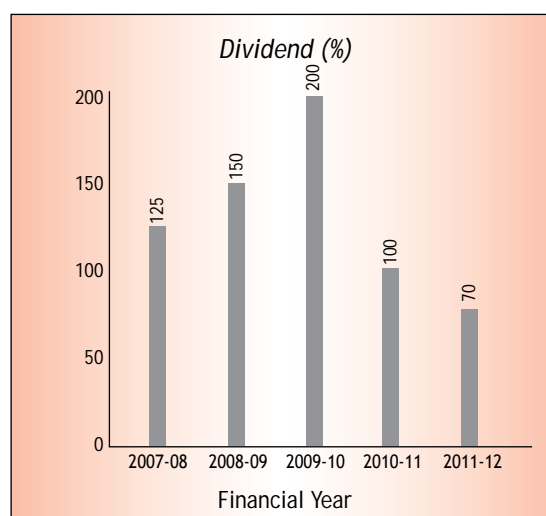
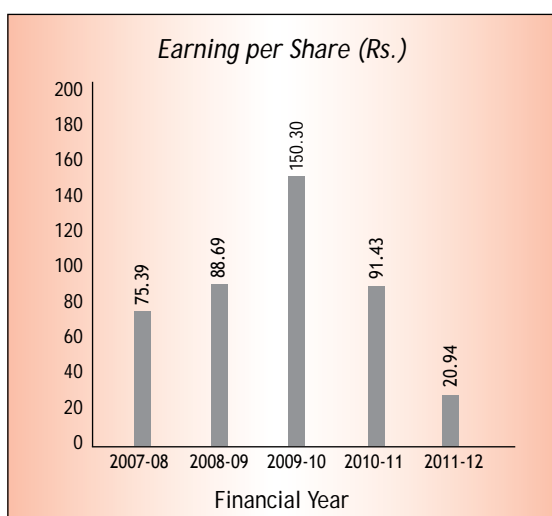
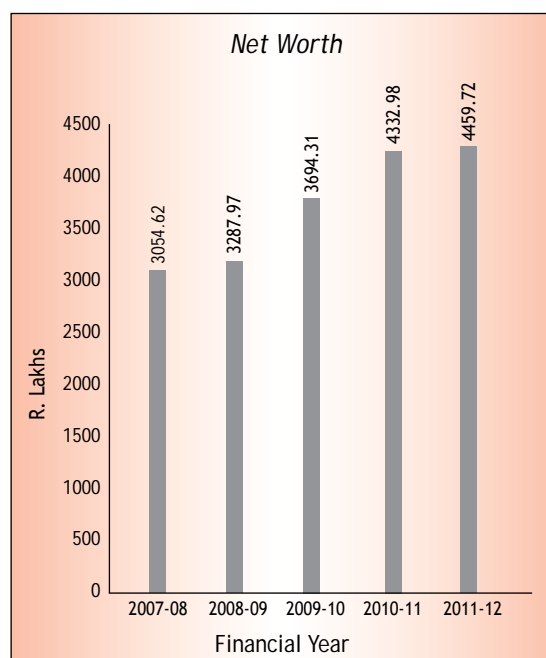
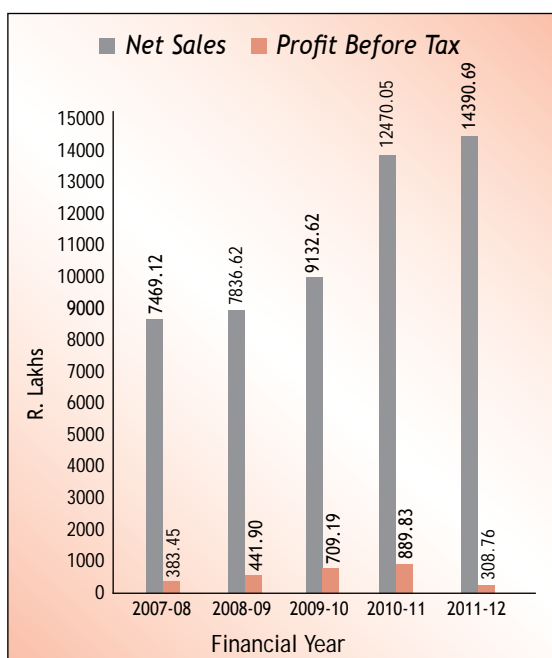
General Shareholders' Information:

- | | | |
|--|---|--|
| 1. Time & Date of AGM | : | 4.30 p.m. on Wednesday, 25th July, 2012 |
| 2. Venue of AGM | : | Hotel Ajantha, 22-A, M.G.Road,
Bangalore-560001 |
| 3. Dates of Book Closure | : | July 16th, 2012 to July 25th, 2012 |
| 4. Financial Year | : | 1st April to 31st March each year |
| 5. Dividend Payment Date | : | On or before 24th August 2012 |
| 6. The equity shares of Rs.10/- each listed at | : | Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai-400 001. |

TEN YEARS AT A GLANCE

Rs. Lakhs

Particulars	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Net Sales	3553.86	4026.71	4552.90	4910.12	6438.47	7469.12	7836.92	9132.62	12470.05	14390.69
Profit Before Tax	661.40	739.83	687.04	372.50	293.53	383.45	441.90	709.19	889.83	308.76
Profit After Tax	365.40	418.81	439.13	245.43	199.72	241.24	283.82	480.98	603.72	207.28
Dividend (%)	150%	150%	140%	125%	100%	125%	150%	200%	100%	70%
EPS (Rs.)	114.18	130.87	137.22	76.69	62.41	75.39	88.69	150.30	91.43	20.94
Gross Fixed Assets	1399.91	1431.32	1528.08	1796.44	2372.06	3664.40	4412.69	4772.14	6127.05	8727.59
Net Worth	1749.69	2116.03	2504.50	2753.44	2915.72	3054.62	3287.97	3694.31	4332.98	4459.72



BOARD OF DIRECTORS

M.R. Hosangady, Chairman
Anuradha M. Gokarn, Managing Director
Dr. M.N. Srinivasan
Dr. B.R. Pai
S.K. Welling
Aditya M. Gokarn, Executive Director

BANKERS

HDFC Bank Limited
Citibank N.A.
Standard Chartered Bank
Kotak Mahindra Bank

AUDITORS

Brahmayya & Co
Chartered Accountants
10/2, Kasturba Road
Bangalore - 560 001

REGISTERED OFFICE

Sunrise Chambers
22, Ulsoor Road
Bangalore - 560 042

FACTORY

Mercara Road
Belavadi
Mysore - 570 018

SHARE TRANSFER AGENT

Canbank Computer Services Ltd.,
218, JP Royale, 1st Floor, 2nd Main,
Near 14th Cross, Sampige Road,
Bangalore - 560 003

NOTICE

Notice is hereby given that the Thirtysixth Annual General Meeting of Triton Valves Limited will be held at Hotel Ajantha, 22-A, M.G.Road, Bangalore-560001 on Wednesday the 25th of July 2012 at 04.30 P.M to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012, Profit and Loss Account for the year ended on that date, the reports of the Board of Directors & Auditors and Compliance Certificate thereon.
2. To declare a dividend.
3. To appoint a Director in place of Dr.M.N.Srinivasan who retires by rotation and being eligible, offers himself for re- appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

5. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an ordinary Resolution.

“RESOLVED THAT, pursuant to the provisions of Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, the approval of the Company be and is hereby accorded to the re-appointment of Mr. Aditya M Gokarn as the Executive Director of the Company for a further period of 3 years with effect from 20th June 2011 on the remuneration and other terms and conditions as set out in the explanatory statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorised to vary, alter or modify the terms and conditions including remuneration as may be agreed to by the Board of Directors and Mr.Aditya M. Gokarn.

FURTHER RESOLVED THAT in the event of the Company having no profit or inadequacy of profit during any financial year during his tenure of appointment, the aforesaid remuneration shall be paid to Mr. Aditya M Gokarn as the minimum remuneration, subject however to the conditions and the limits laid down under Section II of Part II of Schedule XIII to the Companies Act 1956”.

By order of the Board of Directors of
Triton Valves Limited

ANURADHA M. GOKARN
Managing Director

Bangalore
18th May 2012

Registered Office:
Sunrise Chambers
22, Ulsoor Road, Bangalore - 560 042

NOTES

1. The Explanatory Statement in regard to Special Business as required pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

3. The Instrument appointing the proxy, in order to be valid, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 16th July 2012 to 25th July 2012 (both days inclusive).
5. The dividend recommended by the Board, if approved at the Annual General Meeting, will be paid on or before 24th August 2012 to the Shareholders whose names appear in the Register of Members of the Company as on 1st July 2012. In respect of shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as on that date.
6. Members who wish to claim dividends, which have remained unclaimed, are requested to either correspond with the Corporate Secretarial Department at the Company's Registered Office or the Company's Registrar and Share Transfer Agent, Canbank Computer Services Ltd., 218, J. P. Royale, 1st Floor, 2nd Main, Near 14th Cross, Sampige Road, Malleswaram, Bangalore-560 003. Members are requested to note that dividends remaining unpaid or unclaimed for a period of seven years from the date they became due for payment will, as per Section 205A(5) read with Section 205C of the Companies Act, 1956, be transferred to the Investors Education and Protection Fund. The Company has transferred the unclaimed dividend up to the Financial Year ended 31st March 2004 to the Fund.

After completion of seven years as aforesaid, no claims shall stand against the Investors Education and Protection Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims.

7. Details of Directors seeking Appointment at the Annual General Meeting

Particulars	Dr. M.N. Srinivasan	Mr. Aditya M Gokarn
Date of Birth	March 07, 1938	May 25, 1980
Date of Appointment	February 18, 1982	June 20, 2005
Qualifications	M.E.Ph.D	B.E.
Expertise in specific functional area	Specialisation in interface area of materials and manufacturing	Management of the Company
Directorships held in other Public Companies	Nil	Nil
Memberships/Chairmanships of Committees of other Public Companies (includes only Audit and Shareholder Grievance Committees)	Nil	Nil
No. of shares held in the Company	Nil	45356

By order of the Board of Directors of
Triton Valves Limited

Bangalore
18th May 2012

ANURADHA M. GOKARN
Managing Director

Registered Office:
Sunrise Chambers
22, Ulsoor Road, Bangalore - 560 042

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF COMPANIES ACT, 1956

Item 6

Ms. Aditya M Gokarn was re-appointed as Executive Director for a term of 3 years with effect from 20-06-2008 and his present term ended on 19-06-2011. He has been playing an instrumental role in the growth of the Company. During his tenure, the Company has further consolidated its position and had emerged as a dominant player in the futuristic tubeless valve business. He has also steered the Company steadily in a challenging business environment. It is in the interest of the Company to continue his tenure. Accordingly in the Board Meeting held on 18th June 2011, the Board had resolved to re-appoint him as Executive Director of the Company for a further period of 3 years w.e.f. 20.06.2011 on the following remuneration and terms and conditions:

- a. Salary : Rs.1,75,000/- per month with an annual increment of Rs.17,500/- p.m. (Current salary- Rs. 1,56,000/-)
- b. Perquisites and allowances

Category A

- i. Housing: Furnished residential accommodation or House Rent Allowance up to 50% of the Salary in lieu thereof.
- ii. Provision of gas, electricity, furnishing, etc.; and the expenditure incurred by the Company on the same shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary.
- iii. Medical reimbursement: For self and family subject to a ceiling of one month's salary in a year or three months' salary in a block of three years.
- iv. Leave Travel Concession: For self and family, once in a year in accordance with the rules of the Company.
- v. Club Fees: Club fees subject to a maximum of two clubs. This will not include admission and life membership fee.
- vi. Personal Accident Insurance: Premium not to exceed Rs. 4000/- per annum.

Category B

- i. Company's Contribution to Provident Fund, Superannuation Fund or Gratuity as per the Rules of the Company.
- ii. Gratuity not exceeding half month salary for every completed year of service.
- iii. Earned / privilege leave as per the rules of the Company as applicable to other senior executives of the Company.
- iv. Encashment of unutilized leave as per the rules of the Company.

Category C

- i. Provision of car for use on Company's business and telephone at residence. Personal long distance calls on telephone and use of car for private purpose shall be billed to the Executive Director.
- ii. Commission: Commission at a percentage of the net profits of the Company as may be determined with a proviso that the salary, commission and the value of applicable perquisites in aggregate shall not exceed 5% of the net profits of the Company for any financial year during his tenure.

The Executive Director is not entitled to sitting-fees for attending meeting of the Board of Directors or any Committee thereof.

In the event of the Company having no profit or inadequacy of profit during any financial year during his tenure of appointment the aforesaid remuneration shall be paid to Mr. Aditya M Gokarn, as the minimum remuneration subject however to the conditions and the limits laid down under Section II 1(B) of Part II of Schedule XIII to the Companies Act, 1956.

The above remuneration has been approved by the Remuneration Committee in their meeting held on 18th June 2011.

Period of appointment: Three years beginning 20th June, 2011 and ending on 19th June, 2014.

The appointment may be terminated by either party by giving three months notice in writing.

The Resolution seeks the approval of the Members for re appointment of Mr. Aditya M Gokarn as Executive Director of the Company for a further period of 3 years w.e.f.20.06.2011 pursuant to the provisions of Section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and payment of above remuneration to him.

Mr. Aditya M Gokarn, Executive Director, as the Resolution relates to his appointment, Mr. M.R. Hosangady, Director and Mrs. Anuradha M. Gokarn - Managing Director being relatives in terms of Section 6 read with Schedule 1A of the Companies Act, 1956, may be regarded as interested or concerned in the Resolution. No other Director is interested or concerned in the Resolution.

This may also be regarded as an Abstract of Terms and Conditions of appointment of Executive Director and Memorandum of Interest pursuant to Section 302 of the Act.

By order of the Board of Directors of
Triton Valves Limited

ANURADHA M. GOKARN
Managing Director

Bangalore
18th May 2012

Registered Office:
Sunrise Chambers
22, Ulsoor Road, Bangalore - 560 042

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Thirtysixth Annual Report together with the Audited Accounts for the year ended 31st March 2012.

	31.03.2012 (Rs. Lakhs)	31.03.2011 (Rs. Lakhs)
1. Financial Results		
Profit Before Taxx	308.76	889.83
Provision for Taxation	101.48	286.11
Profit After Tax	207.28	603.72
Add: (a) Balance Brought Forward	484.97	396.70
Profit available for appropriation	692.25	1000.42
2. Appropriations		
Proposed Dividend on equity shares	69.30	99.00
Tax on Dividend	11.24	16.45
General Reserve	100.00	400.00
Balance Carried Forward	511.71	484.97
	692.25	1000.42

3. Dividend

Your Directors are pleased to recommend a dividend of Rs.7/- per Equity Share (70%) for the financial year ended 31st March 2012.

4. Performance

The Financial Year 2011-2012 witnessed high interest rates coupled with high inflation and steep increases in fuel cost. This resulted in growth decelerating in the automobile industry. Passenger car production grew just 4.5% as compared to 27% in the previous year. The two & three wheeler category fared better with a growth rate of 15% (previous year 27%) while the Commercial Vehicle segment grew by 21% (previous year 32%).

The Company's sales turnover net of excise duty and discount increased to Rs. 143.92 crore as against Rs. 124.70 crore in the previous year, an increase of 15.35%. Sales of valves increased by 7% during the year and that of cores by 18%. In spite of the good performance on the top-line, the Operating margin fell to 9.7% during the year from the previous year's level of 12.2%. This was primarily on account of the increase in the raw material costs during the first half of the year. Further, increases in interest cost and depreciation resulted in the Profit Before Tax falling to Rs. 303 lakhs from the previous year's level of Rs.890 lakhs.

5. Prospects for the Financial Year 2012-2013

The Company expects to improve its performance during Financial Year 2012-13 both in terms of the top-line as well as operating margin. Based on currently available market estimates, achieving an overall growth rate of 8-10% on the top-line appears to be feasible. The capacity additions will further

strengthen the Company's position in the market. The Company has developed a very strong presence in the new and emerging tubeless valve segment which is growing at over 50% every year. On the raw material front, the Company is confident of optimizing the procurement of key commodity inputs which will improve the profitability of the Company. The manufacturing facilities are also being streamlined for improved manufacturing efficiencies.

6. Capacity Expansion

The Company has completed the capacity expansion which was envisaged during 2009-10. The Company has invested Rs. 43.36 crore in buildings, plant and machinery which have significantly increased capacities in all segments. The Company now has an installed capacity of 158 million valves and 126 million cores. The capacity for valve cores is expected to increase to 150 million with the addition of assembly equipment which is already on order.

7. Directors

Dr.M.N.Srinivasan retires by rotation at the Annual General Meeting and being eligible has offered himself for re-appointment.

8. Auditors

The Statutory Auditors of the Company, M/s Brahmayya & Co., Bangalore, retire at the conclusion of this Annual General Meeting and are eligible for re-appointment.

9. Employee Relations

During the year, the Company entered into a Long Term Agreement (LTA) with the recognized union for a period of 4 years from 1.10.2010 to 30.09.2014. Employee relations were cordial during the year.

10. Particulars of Employees under Section 217(2A)

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of employees) Rules, 1975, is forming part of the Annexure to this report.

11. Conservation of Energy, Technology Absorption, Exports and Foreign Earnings & Outgo

Information required to be furnished pursuant to Section 217(1)(e) of the Companies Act 1956 read with Companies (Disclosure of Particulars in the Report of Directors) Rules 1988 is set out in the Annexure to this report.

12. Listing with Stock Exchanges

As per the requirement of Clause 49 of the Listing Agreement with Stock Exchanges, the Company hereby declares that the listing of its shares continued throughout the year with the Stock Exchange Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 and that the Company has paid the listing fees up to date.

13. Directors' Responsibility Statement as required under Section 217(2AA) of the Companies' Act 1956

Your Directors, on the basis of information made available to them by the Management and the Auditors wish to place on record:

- (i) That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures.
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for that period.
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Annual Accounts have been prepared on a going concern basis

14. Secretarial Compliance Certificate

The Compliance Certificate obtained from a Company Secretary in whole time practice in accordance with Section 383(A) of the Companies Act 1956 and the rules made thereunder is annexed to this report.

15. Acknowledgements

Your Directors thank the customers and vendors for their continued support to your Company's growth. Your Directors place on record their appreciation of the support given by HDFC Bank, Standard Chartered Bank, Citibank and Kotak Mahindra Bank for meeting the long term and working capital needs of the Company.

Your Directors are grateful to the State Government for their continued support to the Company's activities.

Your Directors are thankful to the esteemed shareholders for their support and encouragement. They also wish to place on record their appreciation of the contribution made by employees at all levels.

For and on behalf of the Board of Directors

Bangalore
18th May 2012

M.R.HOSANGADY
Chairman

ANNEXURE TO DIRECTORS' REPORT

Particulars pursuant to Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988

1. A. CONSERVATION OF ENERGY

- I. Power factor of power supplied from Karnataka Power Transmission Corporation Limited (KPTCL) is monitored and maintained at 0.95.
- II. An improved energy efficient transformer was installed resulting in a reduction in transformer losses and consequent savings in energy.

B. TECHNOLOGY ABSORPTION

- I. More productive and material efficient machines were introduced in specific areas.
- II. New products were developed to meet customer specific requirements.

BENEFITS

- I. The Company's Product range has been widened
- II. Productivity and material yield have improved.

FUTURE PLAN OF ACTION

- I. To introduce automation in more areas
- II. To develop more material efficient processes
- III. Introduction of AC variable drives in more areas

Expenditure on Research & Development

(i) Capital	Rs. 5.03 lakhs
(ii) Recurring	Rs. 37.51 lakh
Total	Rs. 37.51 lakh
Total R&D expenditure as a percentage of turnover	0.26 %

C. Foreign Exchange Earnings and Outgo

Equivalent in Rupees

Foreign exchange earned through exports (vide note No.34.2)	Rs. 737.39 lakh
Foreign exchange used (vide note No.34.1)	Rs. 2151.41 lakh

Statement of Particulars of Employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956.

Employed for full year:

Name (Age)	Designation/ Nature of duties	Remuneration received (Rs.)	Qualification (Experience)	Date of commencement of employment	Previous employment
Mrs.Anuradha M.Gokarn (69)	Managing Director	4,108,664	M.Phil (26)	01.10.1986	Sri Shikshayatan College
Mr.Aditya M.Gokarn (31)	Executive Director	3,327,176	B.E.(Mech.) (9)	01.02.2003	None

For and on behalf of the Board of Directors

Bangalore
18th May 2012

M.R. HOSANGADY
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

Your Company is a major OE supplier of tyre valves, valve cores and accessories to the tyre and tube industry as well as the automotive industry. The Company is both a tier 1 and a tier 2 supplier to the automotive industry. Hence the performance of these industries has a strong bearing on the performance of the Company.

The Financial Year 2011-2012 was a challenging one. High interest rates coupled with high inflation and steep increases in fuel cost resulted in growth decelerating in the automobile industry. Passenger car production grew just 4.5% as compared to 27% in the previous year. The two & three wheeler category fared better with a growth rate of 15% (previous year 27%) while the Commercial Vehicle segment grew by 21% (previous year 32%). The Society of Indian Automobile Manufacturers (SIAM) reported an overall growth rate of 13.7% in the production of automobiles in India from 17.9 million units to 20.3 million units during the Financial Year 2011-12.

The scenario was no different for the tyre & tube industry. The annual growth rate in tyre production slowed to 5.22% while that in tubes slipped to 3.11%. The industry as a whole suffered the effects of slowing growth, imports of tyres from lower cost countries as well as a cost push in raw materials and natural rubber in particular. However natural rubber prices moderated during the last quarter of the year which somewhat eased margin pressures on the industry.

The tyre industry continues to adopt newer and improved product and process technology. The market continues to favour the use of tubeless tyres in the passenger car segment and radial tyres in the Commercial Vehicles segment. These technological changes do impact the tyre valve industry which must adapt itself to be able to cater to newer customer requirements. Your Company is fully geared up to meet these new requirements.

Opportunities and Threats

At a macro-economic level, the year 2011-12 saw the Indian economy slowing down with the GDP growth rate falling below the 7% mark. This coupled with high levels of inflation resulted in the general economic sentiment being negative. However, towards the last quarter of the Financial Year, the government initiated measures to increase liquidity into the money markets which is expected to result in a moderation in the interest regime. Inflation also appears to be showing signs of moderating. In addition, the negative sentiments in the global economy on account of the Euro zone crisis and the deceleration of growth in China could result in crude oil prices falling gradually. If these trends gain momentum during the year 2012-13, it could stimulate growth in the Indian automobile industry, particularly in the domestic segment. According to estimates prepared by SIAM, the automotive industry is expected to grow by around 11-13% in the Financial Year 2012-13. If this estimate is reasonably accurate, the year ahead would see strong double digit growth in volumes for the Company, particularly in the passenger car segment. Going by the improved performance of the tyre industry in the last quarter of FY 2012, the tyre industry has the capability to improve sales as well as profitability during FY 2013 which would directly benefit the Company.

The rapid growth in the tyre and tube industry is likely to intensify competition in the tyre valve industry. Domestic competitors have been adding capacities. Competition from overseas primarily from countries with lower manufacturing costs is also a potential threat. However, your Company has taken and continues to take adequate steps to counter these threats.

Segment-wise Performance

The Company manufactures automobile tyre valves, valve cores and accessories. The sales figures net of discounts and excise duties in the domestic and export segments are shown below:

	(Rs. Crore)	
	2011-2012	2010-2011
Overall Sales	143.91	124.70
Domestic Sales	136.10	124.08
Export Sales	7.81	0.62

Outlook

The overall outlook for the Financial Year 2012-13 is positive. The capacity additions and plant optimization activities are expected to improve operating efficiencies and profitability. The Company is generally optimistic about the year ahead although the automobile industry is passing through a delicate phase.

Risks and Concerns

The global economic outlook for the year ahead appears to be uncertain. Demand in the automotive industry is dependent on several factors such as interest rates, inflation, oil prices and government policies. While interest rates are generally expected to moderate during the year, deregulation of fuel pricing in the country is likely to cause steep increase in the costs of both petrol and diesel. These factors could result in lower demand and could significantly alter the growth estimates of the industry during the year.

Volatile raw material costs are always a concern for the Company since it is a user of three volatile commodity inputs, namely, copper, zinc and synthetic rubber. Price volatility in these commodities has a direct impact on raw material costs and profit margins.

Internal Control Systems and Their Adequacy

The Company has proper and adequate systems of internal controls. Internal audits and checks are carried out at regular intervals. An audit committee headed by an independent Director reviews control systems and their adequacy.

Discussion on Financial Performance with respect to Operational Performance

The details of the financial performance of the Company appear in the Balance Sheet, Profit and Loss Account and other financial statements. Highlights for the year 2011-12 are as under:

	(Rs. Crore)
	2011-2012
Sales net of discounts and inclusive of excise duty	143.91
Other Income	0.35
Profit Before Tax	3.09

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2012 appearing separately.

Human Resources

Human Resources are a key focus area of the Company. The Company endeavors to attract and develop the best talent available in each area of its operations. The Company's policy is to create a conducive environment for its employees to ensure a mutually rewarding experience.

Cautionary Statement

Certain statements in the Management Discussion and Analysis describing the Company's views about the industry, expectations, objectives, etc... may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Factors like supply and demand situations, input prices and their availability, changes in government regulations, economic developments, etc... may influence the Company's operations or performance.

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2011-12

Company's Philosophy on Corporate Governance

The Company has been committed to the highest standards of Corporate Governance since its inception. Corporate Governance encompasses the values, ethics and the best business practices followed by the Company. The Company believes that a strong Corporate Governance policy is indispensable for healthy business growth and is an important instrument of investor protection. Good Corporate Governance provides an appropriate framework for the Board and the Management to achieve the objectives that are in the interest of the Company and the Shareholders.

Board of Directors

- i. The Board of Directors of the Company consists of two Executive and four Non-executive Directors. The Chairman of the Board is Non-executive. Three out of six are Independent Directors.
- ii. The Board of Directors met five times during the year on 26th May 2011, 18th June 2011, 15th July 2011, 20th October 2011 and 25th January 2012.
- iii. The particulars of Directors and their attendance at Board Meetings are given below:

Name of Director	Category	Number of Board Meetings attended	Whether attended last AGM	Number of Directorship in other Indian companies
Mrs. Anuradha M. Gokarn	Managing Director	5	Yes	
Mr. M.R. Hosangady	Non-executive Director	5	Yes	1
Dr. M.N. Srinivasan	Non-executive Director	5	Yes	
Dr. B.R. Pai	Non-executive Independent Director	5	Yes	1
Mr. Aditya M. Gokarn	Executive Director	5	Yes	
Mr. S.K. Welling	Non-executive Independent Director	5	No	2

Audit Committee

- i. The Audit Committee was constituted by the Board in its Meeting held on 22nd January 2006. The Committee consists of three members including a Chairman all of whom are Non-executive Directors and two members are Independent Directors. The Managing Director, the Executive Director, Internal Auditors and Statutory Auditors are invitees to the Meetings. The Vice President Finance of the Company acts as Secretary to the Audit Committee.
- ii. The Terms of Reference of the Audit Committee are as set out hereunder:
 - To oversee the financial reporting system of the Company.
 - To review with the Management the financial statements of every quarter before submission to the Board.
 - To review the annual financial statements and Auditors' report thereon.

- To review the scope and coverage of the Internal Audit function and reporting structure.
- To review the efficiency of the internal control system.
- To review the findings of any internal investigation and to report these to the Board.
- To review the Company's financial and risk management policies and strategies.
- To recommend the appointment of External Auditors and Internal Auditors and fixation of their fees.
- To monitor the quality of Internal and Statutory Audit.

The Audit Committee consists of Dr. B.R.Pai as Chairman and Dr. M.N.Srinivasan & Mr. S.K.Welling as Members. All the Members of the Remuneration Committee are Independent Directors:

Name	Category	No. of Meetings held	No. of Meetings attended
Dr. B.R.Pai	Non-Executive Independent	4	4
Dr. M.N.Srinivasan	Non-Executive Independent	4	4
Mr. S.K.Welling	Non-Executive Independent	4	4

Remuneration Committee:

The Remuneration Committee reviews and recommends to the Board of Directors, the Remuneration payable to the Managing Director and Executive Director. The Board of Directors approves the remuneration recommended by the Remuneration Committee subject to approval of the Shareholders.

The Non-Executive Directors are paid sitting fees for attending the Board Meetings and Committee Meetings. They are also paid commission on net profit not exceeding one percent of the net profit in aggregate as sanctioned by the Shareholders by a Special Resolution in the AGM held on 15th July 2011.

The Resolutions for the appointment and remuneration payable to the Executive Director are approved by the Shareholders of the Company.

The remuneration to the Executive Director consists of a fixed salary and other perquisites. The Leave Travel Allowance, Provident Fund & Superannuation are paid as per Company's policy. Wherever applicable, the perquisites are considered a part of remuneration and taxed as per Income Tax Laws. The Commission recommended by the Remuneration Committee to the Board is paid in accordance with the provisions of the Companies Act, 1956.

The Remuneration Committee consists of Mr. S.K.Welling as Chairman and Dr. M.N.Srinivasan & Dr.B.R.Pai as Members. All the Members of the Remuneration Committee are Independent Directors.

Details of Remuneration paid to Directors during 2011-12

Name of Director	Sitting Fees	Salaries & Perquisites	Commission
Mrs. Anuradha M. Gokarn		4,108,664	
Mr. M.R. Hosangady	50,000		99,264
Dr. M.N. Srinivasan	100,000		99,264
Dr. B.R. Pai	100,000		99,264
Mr. Aditya M. Gokarn		3,327,176	
Mr. S.K. Welling	100,000		99,264

Details of Annual/Extraordinary General Meetings

Location and time of General Meetings held since 2009

Year	AGM/EGM	Location	Date	Time
2009	AGM	Hotel Ajantha, 22-A, MG Road, Bangalore-560001	10.07.2009	4.30 PM
2010	AGM	Hotel Ajantha, 22-A, MG Road, Bangalore-560001	16.06.2010	11.00 AM
2011	AGM	Hotel Ajantha, 22-A, MG Road, Bangalore-560001	15.07.2011	04.30 PM

Disclosures:

(i) Significant related party transactions:

The Company has transacted purchase of goods of aggregate value of Rs.121.69 lakhs with M/s Suvardhan a partnership firm in which Mrs.Anuradha M.Gokarn, Managing Director and Mr.Aditya M.Gokarn, Executive Director are interested as partners.

(ii) There are no non-compliances, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authorities on any matter related to the Capital Markets during the last three years.

Means of Communication:

Quarterly results are published in one English daily, Business Standard and in one Kannada daily, Samyukta Karnataka. All quarterly results are sent to the Stock Exchanges. The financial results are displayed on the Company's website www.tritonvalves.com and on the Bombay Stock Exchange www.bseindia.com

The Management Discussion & Analysis is attached to the Directors' Report and forms a part of this Annual Report.

General Shareholders' Information:

1	Time & Date of AGM	4.30 PM on 25th July 2012
2	Venue of AGM	Hotel Ajantha, 22-A, M.G.Road, Bangalore-560001
3	Dates of Book closure	July 16th, 2012 to July 25th, 2012
4	Financial Year	1st April to 31st March each year
5	Dividend Payment Date	On or before 24th August 2012
6	The equity shares of Rs.10/- each listed at	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
7	Registered Office	Sunrise Chambers, 22, Ulsoor Road, Bangalore-560 042.
8	Stock Code	505978
9	Demat ISIN No.	INE440G01017
10	Registrar & Transfer Agents	Canbank Computer Services Limited, 218, J.P.Royale, 1st Floor, 2nd Main, Sampige Road, Malleswaram, Bangalore-560 003.
11	Investor correspondence:	Investor correspondence may be addressed to: V.Sridhar, Compliance Officer, Triton Valves Limited, Sunrise Chambers, 22, Ulsoor Road, Bangalore-560042

12. Stock Market Price Data (BSE)

Triton Valves Share Price			BSE SENSEX	
Month	High	Low	High	Low
Apr - 11	805.60	616.00	19811.14	18976.19
May - 11	760.00	615.00	19253.87	17786.13
June - 11	698.80	604.00	18873.39	17314.38
July - 11	662.00	601.00	19131.70	18131.86
Aug - 11	630.00	512.30	18440.07	15765.53
Sept - 11	597.00	506.05	17211.80	15801.01
Oct - 11	584.85	455.00	17908.13	15745.43
Nov - 11	520.00	456.00	17702.26	15478.69
Dec - 11	494.00	366.00	17003.71	15135.86
Jan - 12	477.90	365.00	17258.97	15358.02
Feb - 12	589.00	438.60	18523.78	17061.55
Mar - 12	550.00	453.00	18040.69	16920.61

13. Distribution of Shareholding as on 31.03.2011

No. of Equity shares held	No. of Shares	No. of Shareholders	% of Shareholders
1-500	272742	6302	98.01
501-1000	46987	66	1.03
1001-5000	97139	49	0.77
5001-10000	48438	7	0.11
10001 & above	524721	6	0.08

14. Shareholding Pattern as on 31.03.2011

Category	No. of Shares held	% of Shareholding
Promoters' Holding:		
- Indian Promoters	498358	50.36
- Foreign Promoters	Nil	
Persons Acting in Concert	Nil	
Sub- total	498358	50.36
Non Promoter Holding:		
- Mutual Funds	Nil	0.00
- Banks, financial Institutions, Insurance companies	Nil	0.00
Sub-Total	Nil	0.00
Others:		
Private Corporate Bodies	19781	2.00
Indian Public	466123	47.05
NRIs/OCBs	5765	0.59
Sub-Total	493620	49.64
Grand Total	990027	110.00

The Company's shares are dematted with effect from April 2004 and trading in the Company's shares is permitted only in demat form. As on 31st March 2012, 934,183 shares (94.36 %) are held in demat form and 55,844 shares (5.64 %) in physical form.

Share Transfer system

The transfer/transmission of shares in physical form is normally processed and completed within 21 days from the date of receipt of request. In the case of shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.

There were no cases of loss of Share Certificates and no complaints either from SEBI or the Stock Exchanges. Seventeen Dividend warrants and twentyeight dividend intimation letters were returned undelivered. There were 10 investor grievances during the year and all have been addressed and closed.

AUDITORS' COMPLIANCE CERTIFICATE

To

The Members,
Triton Valves Limited

We have examined the compliance to the conditions of Corporate Governance by Triton Valves Limited for the year ended 31st March 2012, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with Stock Exchange(s).

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 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement(s).

We state that in respect of investor grievances received during the year ended 31st March 2012, no investor grievance is pending for a period exceeding one month as per the records maintained by the Company.

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

For Brahmaya & Co.,
Chartered Accountants
Firm Registration No. 000515S

G.Srinivas
Partner
Membership No. 86761

Place: Bangalore
Date: 18th May 2012

SECRETARIAL COMPLIANCE CERTIFICATE

I have examined the registers, records, books and papers of TRITON VALVES LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on 31st March, 2012. In my opinion and to the best of our information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, subject to our comments therein with the Registrar of Companies.
3. The Company being a Public Limited Company comments are not required.
4. The Board of Directors duly met 5 (seven) times on 26.05.2011, 18.06.2011, 15.07.2011, 20.10.2011 & 25.01.2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including Circular Resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members, from 06.07.2011 to 15.07.2011 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2011 was held on 15.07.2011 after giving due notice to the Members of the Company and the Resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and / or persons or firms or Companies referred in the Section 295 of the Act during the financial year.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that Section.
10. The Company has made the necessary entries in the Register maintained under Section 301 of the Act.
11. As informed to us by the Company there were no instances falling within the purview of Section 314 of the Act during the Financial Year.
12. The Company has not issued any duplicate Share Certificate during the Financial Year.
13. The Company has
 - i. Deposited the amount of dividend declared in a separate Bank Account on 16.07.2011 which is within five days from the date of declaration of such dividend.
 - ii. Paid / posted warrants for dividends (by means of cheques / demand drafts / pay orders) to all the members within a period of 30 (thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to the Unpaid Dividend Account of the Company with HDFC Bank on 21st August 2011.
 - iii. Transferred the amount(s) in unpaid dividend account and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund; and
 - iv. Has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointments of Directors/Additional Directors have been duly made and there was no appointment of Alternate Directors and Directors to fill casual vacancies during the financial year.

15. The appointment of Managing Director/Whole-time Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act and no approval of Central Government was necessary in respect of the appointments during the Financial Year.
16. The Company has not appointed any Sole-Selling Agent during the Financial Year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued Shares/ Debentures/ Other securities during the Financial year.
20. The Company has not bought back any shares during the Financial year.
21. The Company has not redeemed preference shares / debentures during the year.
22. The Company has not kept in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares during the financial year.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 / the applicable directions issued by the Reserve Bank of India / any other authority during the Financial Year.
24. The amounts borrowed by the Company from Directors, Members, Public, Financial Institutions, Banks and Others during the Financial Year ending 31.03.2012 are within the borrowing limits of the Company sanctioned by necessary Resolutions passed as per Sec. 293 (1) (d) of the Act in the 34th Annual General Meeting held on 16th June 2010.
25. The Company has not advanced loans or made investments or given guarantees or provided securities to other bodies Corporate during the Financial Year.
26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. No Show Cause Notice has been received by the Company under the Companies Act, 1956, nor has any prosecution been launched or penalty imposed against the Company.
32. The Company has not received any money as security from its employees during the year under certification falling within the purview of Section 417(1) of the Act.
33. The Company has deposited both Employees' and Employer's contribution to the Employees Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

Place : Bangalore
Date : 18.05.2012

P.G.HEGDE
Hegde & Hegde
Company Secretaries
C. P. No. 640

ANNEXURES TO COMPLIANCE CERTIFICATE OF EVEN DATE

Annexure A

Registers as maintained by the Company

1.	Register of Charges	:	S 143
2.	Register of Members	:	S 150 / 151
3.	Register of Share Transfers		
4.	Register of particulars of contracts	:	S 301
5.	Register of Directors / Managing Directors	:	S 303
6.	Register of Directors' Shareholdings	:	S 307
7.	Register of Investments & Loans	:	S 372A
8.	Board Meeting Minutes Book	:	S 193 / 196
9.	General Meeting Minutes Book	:	S 193 / 196
10.	Books of Accounts & Cost Records	:	S 209
11.	Register of Proxies		

Notes:

1. The Register of Members and Register of Share Transfers are maintained in electronic form by the Registrars and Share Transfers Agents of the Company.
2. The Company has informed that it has maintained Cost Account Books and records as prescribed in the order of the Central Government u/s.209(1)(D) of the Act. However we have not verified the same.

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2012 (as per the copies of returns made available by the Company).

- 1 Form 8 dated 27.05.2011 filed u/s. 125/127 in respect of modification of charge created in favour of HDFC Bank (filed on 22.07.2011 with additional fees).
2. Form 8 dated 15.06.2011 filed u/s. 125/127 in respect of modification of charge created in favour of HDFC Bank (filed on 05.08.2011 with additional fees).
3. Form 8 dated 07.07.2011 filed u/s. 125/127 in respect of modification of charge created in favour of HDFC Bank.
4. Form 32 dated 27.10.2010 filed u/s 303(2) for cessation of a Director (filed on 30.08.2011 with additional fees).
5. Form 23 dated 15.07.2011 filed u/s. 192 for Re-appointment of Managing Director and payment of remuneration to non executive directors (filed on 31.08.2011 with additional fees).
6. Form 32 dated 15.07.2011 filed u/s 303(2) for appointment of a Director in AGM (filed on 31.08.2011 with additional fees).
7. Form 66 Compliance Certificate filed u/s 383A for the financial year ended 31.03.2011 (filed on 31.08.2011 with additional fees).
8. Form 8 dated 26.09.2011 filed u/s. 125/127 in respect of modification of charge created in favour of Standard Chartered Bank.

9. Form 20B Annual Return made up 15.07.2011 filed u/s 159 (filed on 20.10.2011 with additional fees).
10. Form 23AC XBRL & 23ACA XBRL Balance Sheet and Profit & Loss Account for the financial year ended 31.03.2011.
11. Form 32 dated 20.06.2011, filed u/s 303(2) for re-appointment of Whole- Time Director (filed on 07.12.2011 with additional fees).
12. Form 25C dated 20.06.2011 filed u/s 269(2) and Schedule-XIII of the Companies Act, 1956 for re-appointment of Whole-Time Director. (filed on 07.12.2011 with additional fees).
13. Form 8 dated 29.11.2011 filed u/s. 125/127 in respect of modification of charge created in favour of Kotak Mahindra Bank.
14. Form 1 INV dated 13.01.2012 filed pursuant to rule 3 of the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.
15. Form 8 dated 15.03.2012 filed u/s. 125/127 in respect of modification of charge created in favour of Kotak Mahindra Bank.

AUDITORS' REPORT TO THE MEMBERS OF TRITON VALES LIMITED

- 1) We have audited the attached Balance sheet of Triton Valves Limited ('the Company') as at 31 March, 2012, the Statement of Profit and Loss 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.
- 2) We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test base, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - 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 those books;
 - c) the Balance Sheet, the Statement of Profit and Loss and the Cash flow statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-section (3C), of Section 211 of the Act;
 - e) on the basis of written representations received from the Directors, as at 31 March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as at 31 March, 2012 from being appointed as a Director in terms of section 274(1)(g) of the Act;
 - f) in our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon give the information required by the Act, 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 31 March, 2012;
 - ii) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
 - iii) in the case of Cash Flow statement, of the Cash Flows of the Company for the year ended on the date.

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000515S

G. Srinivas
Partner
Membership No. 086761

Place : Bangalore
Date : 18th May, 2012

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date to the Members of Triton Valves Limited ('the Company') for the year ended 31 March, 2012.

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) All the fixed assets have been physically verified by the Management during the year as per the programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
(c) There was no substantial disposal of fixed assets during the year.
- ii) (a) The inventory has been physically verified by the management. In our opinion, the frequency of verification is reasonable.
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt within the books of accounts.
- iii) (a) The Company has not given any loans, secured or unsecured, to any company, firm or other parties listed in the Register maintained under Section 301 of the Act. Accordingly, clauses (iii) (b), (iii) (c) and (iii) (d) of paragraph 4 of the Order are not applicable for the year.
(b) The Company has taken loans from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. The total amount outstanding as at year end was Rs.2,00,00,000. The rate of interest and the terms and conditions on which the said loans are taken is not prima facie prejudicial to the interests of the Company. No stipulations for repayment have been prescribed and as such no comments regarding regularity of payments are being made.
- iv) 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, for the purchases of inventory and fixed assets and for the sale of goods and services. Further During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the aforesaid internal control system.
- v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act 1956, have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 exceeding the value of rupees five lakh in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposits from the public; as such the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, do not apply.
- vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- viii) We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of Cost records has been prescribed under clause (d) of sub section (1), of section 209 of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of records with a view to determine whether they are accurate or complete.

- ix) (a) According to the information and explanations given to us and according to the records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues to the extent applicable to it. There are no arrears of outstanding statutory dues as at 31 March, 2012 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales-tax, Service Tax, Customs duty, Wealth-tax, Excise duty, Cess which have not been deposited on account of any dispute.
- x) The Company does not have accumulated losses as at 31st March, 2012 and has not incurred any cash losses during the financial year covered by our Audit or in the immediately preceding financial year.
- xi) Based on our audit procedures and as per the information and explanations given by the Management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or banks. The Company did not have any outstanding dues to any Debenture holders during the year.
- xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly paragraph 4 (xii) of the order is not applicable.
- xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, paragraph 4(xiii)(a) to 4(xiii)(d) of the Order are not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, paragraph 4(xiv) of the Order is not applicable.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or other financial institution. Accordingly, paragraph 4 (xv) of the order is not applicable.
- xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraph 4 (xviii) of the order is not applicable.
- xix) The Company did not have any outstanding debentures during the year. Accordingly, paragraph 4 (xix) of the Order is not applicable.
- xx) The Company has not raised any money by public issues during the year. Accordingly, paragraph 4 (xix) of the Order is not applicable.
- xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the year.

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000515S

G. Srinivas
Partner
Membership No. 086761

Place : Bangalore
Date : 18th May, 2012

BALANCE SHEET AS AT 31st MARCH, 2012

		(Amount in Rupees)	
	Notes	As at 31 March, 2012	As at 31 March, 2011
I. Equity and liabilities			
(1) Shareholders' funds			
(a)	Share capital	9,900,270	9,900,270
(b)	Reserves and surplus	436,071,820	423,398,105
		<u>445,972,090</u>	<u>433,298,375</u>
(2) Non-current liabilities			
(a)	Long-term borrowings	199,190,820	219,899,184
(b)	Deferred tax liability (net)	34,881,232	24,851,827
(c)	Other long-term liabilities	365,190	365,190
(d)	Long-term provisions	6,229,881	6,349,255
		<u>240,667,123</u>	<u>251,465,456</u>
(3) Current liabilities			
(a)	Short-term borrowings	405,531,682	214,076,247
(b)	Trade Payables	181,381,239	109,793,068
(c)	Other current liabilities	104,201,094	83,363,850
(d)	Short-term provisions	26,057,319	34,222,736
		<u>717,171,334</u>	<u>441,455,901</u>
	TOTAL	<u><u>1,403,810,547</u></u>	<u><u>1,126,219,732</u></u>
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i)	Tangible assets	593,555,236	386,100,395
(ii)	Intangible assets	444,144	-
(iii)	Capital work-in-progress	110,183,652	79,352,211
(b)	Non-current investments	73,041	73,041
(c)	Long-term loans and advances	12,298,440	74,416,573
(d)	Long-term Trade receivables	966,901	3,529,629
		<u>717,521,414</u>	<u>543,471,849</u>
(2) Current assets			
(a)	Inventories	294,892,781	271,911,613
(b)	Trade receivables	354,783,356	266,999,611
(c)	Cash and Bank Balances	4,759,240	6,571,097
(d)	Short-term loans and advances	31,786,680	37,257,613
(e)	Other current assets	67,076	7,949
		<u>686,289,133</u>	<u>582,747,883</u>
	TOTAL	<u><u>1,403,810,547</u></u>	<u><u>1,126,219,732</u></u>

Summary of significant accounting policies 2

The accompanying notes from 1 to 35 are an integral part of the Financial Statements.

As per our report of even date

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000515S

G.Srinivas
Partner
Membership No.86761
Bangalore
18th May 2012

For and on behalf of the Board of Directors

M.R.Hosangady
Chairman

Anuradha M Gokarn
Managing Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012

		<i>(Amount in Rupees)</i>	
	Notes	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Continuing operations			
I. Income			
(a) Revenue from operations	19	1,439,069,291	1,247,004,584
(b) Other income	20	3,452,560	1,433,392
Total Revenue (i)		<u>1,442,521,851</u>	<u>1,248,437,976</u>
II. Expenses			
(a) Cost of material consumed	21	1,006,258,681	828,627,093
(b) (Increase)/ decrease in inventories of finished goods, work-in-progress.	22	(18,252,930)	(34,962,504)
(c) Employee benefits expense	23	143,663,983	137,129,982
(d) Other expenses	24	175,212,311	164,595,985
Total (ii)		<u>1,306,882,045</u>	<u>1,095,390,556</u>
III. Earnings before interest, tax, depreciation and amortization (EBITDA) [(i) - (ii)]		135,639,806	153,047,420
IV. Depreciation and amortization expense	25	52,899,313	40,355,039
V. Finance costs	26	51,864,862	23,709,031
VI. Profit / (Loss) before tax (III-IV-V)		<u>30,875,631</u>	<u>88,983,350</u>
VII. Tax expenses			
Current tax		6,177,519	25,300,000
Less: MAT Credit		(6,059,447)	-
Deferred tax		10,029,405	3,311,705
Total tax expense		<u>10,147,477</u>	<u>28,611,705</u>
VIII. Profit/(loss) for the year (VI-VII)		<u>20,728,154</u>	<u>60,371,645</u>
IX. Earnings per equity share [nominal value of share Rs.10/- (31 March 2011: Rs.10/-) Basic and Diluted		20.94	61.58
Summary of significant accounting policies	2		

As per our report of even date

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000515S

G.Srinivas
Partner
Membership No.86761
Bangalore
18th May 2012

For and on behalf of the Board of Directors

M.R.Hosangady
Chairman

Anuradha M Gokarn
Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax from continuing operations		
Profit before tax	30,875,631	88,983,350
Depreciation/ amortization on continuing operation	52,899,313	40,355,039
Interest Income	(580,476)	(521,913)
Dividend income	(10,132)	(9,539)
Loss/ (profit) on sale of fixed assets	1,132,883	11,502
Provision no longer required, written back	(2,112,528)	-
Finance costs	51,864,862	23,709,031
Unrealized foreign exchange loss	(420,158)	42,114
Operating profit before working capital changes	133,649,395	152,569,584
Movements in working capital :		
Increase/ (Decrease) in trade payables	73,700,699	43,421,502
Increase/ (decrease) in other long term liabilities	-	(10,000)
Increase/ (decrease) in other current liabilities	330,253	2,935,286
Decrease/ (increase) in trade receivables	(84,800,859)	(46,825,859)
Decrease / (increase) in inventories	(22,981,168)	(78,270,497)
Decrease / (Increase) long term loans and advances	(772,632)	(1,698,753)
Decrease / (increase) short term loans and advances	11,630,003	(15,611,289)
Increase / (Decrease) in long term provisions	(119,374)	(2,172,363)
Increase / (decrease) in short-term provisions	(4,675,274)	10,283,662
Cash generated from / (used in) operations	105,961,043	64,621,273
Direct taxes paid (net of refunds)	(6,277,143)	(30,267,523)
Net cash flow from/ (used in) operating activities (A)	99,683,900	34,353,750
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including CWIP and capital advances	(231,022,158)	(257,700,152)
Proceeds from sale of fixed assets	1,150,300	22,032
Interest received	580,476	521,913
Dividends received	10,132	9,539
Net cash flow from/ (used in) investing activities (B)	(229,281,250)	(257,146,668)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of Share Capital	-	15,040,000
Proceeds from long-term borrowings	80,000,000	261,467,784
Repayment of long-term borrowings	(80,201,372)	(17,577,600)
Proceeds from short-term borrowings	171,455,435	(5,366,132)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Proceeds from short-term borrowings (Loan from related Party)	20,000,000	-
Interest paid	(51,864,862)	(23,709,031)
Dividends paid on equity shares	(9,900,270)	(6,400,180)
Tax on equity dividend paid	(1,644,311)	(1,062,990)
Net cash flow from/ (used in) in financing activities (C)	127,844,620	222,391,851
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(1,752,730)	(401,067)
Cash and cash equivalents at the beginning of the year	2,579,046	2,980,113
Cash and cash equivalents at the end of the year	<u>826,316</u>	<u>2,579,046</u>
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on hand	118,365	137,625
Cheques/ drafts on hand	-	109,266
With banks- on current account	55,977	1,898,497
- on deposit account	67,076	7,949
- unpaid dividend accounts*	584,898	425,709
- unpaid matured deposits	-	-
- unpaid matured debentures	-	-
Total cash and cash equivalents	18** 826,316	2,579,046
Summary of significant accounting policies	2	

* The company can use these balances only toward settlement of the respective unpaid dividend.

“**The Company has margin money deposits of Rs.40,00,000/- (refer note:18) which is going to be matured once in a year and hence it is not considered as component of the cash and cash equivalents.”

The accompanying notes from 1 to 35 are an integral part of the Financial Statements.

As per our report of even date

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000515S

For and on behalf of the Board of Directors

G.Srinivas
Partner
Membership No.86761

M.R.Hosangady
Chairman

Anuradha M Gokarn
Managing Director

Bangalore
18th May 2012

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Company overview

Triton Valves Limited ('the Company') was incorporated on 10th September 1975 as a Limited Company with its Registered office at Bangalore. The Company is engaged in the business of Manufacturing of valves and cores for the automobile tubes and supplies to tyre and tube manufacturers. The Company had a technical collaboration with M/s Pingeot Bardin S.A. of France for the first five years. The manufacturing facility was set up in the Belavadi Industrial Estate at Mysore. The Company is a market leader for its products from the Year 1992.

2. Statement of significant accounting policies

a. Conventions

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b. Tangible Fixed Assets and Depreciation

(i) Tangible Fixed Assets are stated at cost net of Cenvat credit. Additions to Tangible Fixed Assets in the Gross Block are stated at cost of acquisition and all costs relating to the acquisition and installation up to the date the asset is ready to be put to use are capitalized. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(ii) Depreciation on the tangible fixed assets is provided on straight line method at the rates specified in Schedule XIV of the Companies Act 1956. Depreciation on additions to Plant and Machinery is provided for the proportionate period in use.

c. Intangible Fixed Assets and Amortization

(iii) Cost relating to software licenses, which are acquired, are capitalized and amortized on a straight - line basis over their useful life not exceeding five years.

d. Investments

Investments in equity shares are held as long term and are stated at cost. Provision is made when permanent diminution in value has arisen in the opinion of the Management.

e. Inventories:

(i) Inventories are valued at lower of cost or net realizable value.

(ii) Cost is determined following the weighted average method.

(iii) Unsold scrap at the end of the year is taken at an estimated realisable value.

f. Revenue / Expenditure recognition

Sales are recognised on dispatch of goods to customers. Sales are inclusive of excise duty net of discount and sales tax. Income accruing in the current year and ascertainable/realisable with reasonable certainty on the date of financial statements is taken into account.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Expenses accruing in the accounting year and ascertainable with reasonable accuracy on the date of financial statement are provided in the accounts.

g. Foreign Currency Transactions

- (i) Foreign currency transactions are recorded in the reporting currency, at the exchange rates prevailing on the date of the transaction.
- (ii) Monetary items denominated in foreign currencies at the year end and not covered by forward exchange contracts are translated at year end exchange rates and those covered by forward exchange contracts are determined by their respective contracts.
- (iii) Premium for forward contracts is recognised as income or expenditure over the life of the contract.
- (iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Account.

h. Research and Development

Revenue expenses relating to Research and Development are included under respective heads of expenditure. Capital expenditure on Research and Development is treated in the same manner as expenditure on other fixed assets.

i. Retirement Benefits

- (i) The Company's contributions to recognized funds such as Provident Fund, Employees State Insurance, Superannuation, etc. are charged to Profit and Loss account.
- (ii) Gratuity liability is covered by a policy with Life Insurance Corporation of India. Annual contribution to the fund is charged to revenue and the Liability has been provided as per actuarial Valuation by Life Insurance Corporation.
- (iii) Leave encashment is covered by a policy with Life Insurance Corporation of India. Annual contribution to the fund is charged to revenue and the Liability has been provided as per actuarial Valuation by Life Insurance Corporation.

j. Accounting for Taxes on Income

Current tax is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one year and is capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are computed on the timing differences applying the enacted tax rate. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realized.

k. Borrowing Cost

Borrowing costs that are attributable to acquisition, construction or production of a qualifying asset are capitalised as a part of cost of such asset. All other borrowing costs are recognized as an expense in the year in which they are incurred.

l. Impairment of assets

At each Balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the Profit & Loss account to the extent the carrying amount exceeds the recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

m. Provisions

A provision is recognized when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on the Management's estimate of the amount required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the Management's current estimates.

n. Segment Report

The Company has only one reportable business segment, which is automobile tyre and tube valves, cores and accessories and operates in a single business segment based on the nature of the services, the risk and returns, the organization structure and the internal financial reporting systems. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

o. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p. Measurement of EBIDTA:

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBIDTA) as a separate line item on the face of the statement of profit and loss. The Company measures EBIDTA on the basis of profit / (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rupees)

	As at 31 March, 2012	As at 31 March, 2011
3. SHARE CAPITAL		
(a) Authorized Shares (Nos.)		
50,00,000 (March 31, 2011: 50,00,000) Equity Shares of Rs. 10 each	50,000,000	50,000,000
(b) Issued, subscribed and fully paid-up shares (Nos.)		
9,90,027 (March 31, 2011: 9,90,027) Equity Shares of Rs.10 each Fully Paid up	9,900,270	9,900,270
Total Issued, Subscribed and fully paid-up Share Capital	<u>9,900,270</u>	<u>9,900,270</u>

(c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2012		As at 31st March, 2011	
	Nos.	Amount	Nos.	Amount
Equity Shares				
At the beginning of the period	990,027	9,900,270	990,027	9,900,270
Outstanding at the end of the period	990,027	9,900,270	990,027	9,900,270

(d) Terms/ Rights attached to Equity Shares

- i. The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share.
- ii. In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

(e) Details of Shareholders holding more than 5% Shares in the Company

	As at 31st March, 2012		As at 31st March, 2011	
	Nos.	Amount	Nos.	Amount
Equity Shares of Rs.10/- each fully paid				
Anuradha Maruti Gokarn	280,041	28.29%	280,041	28.29%
Mrs.Nirmala Murthy/ (Previous Year: Late N S Shridhara Murthy)	112,506	11.36%	111,903	11.30%
K Raghunath Shenoy	54,000	5.45%	54,000	5.45%

(f) Details of Bonus Shares and preferential allotments made for the period of 5 years immediately before the date of Balance Sheet

	On July 28, 2010	
	Nos.	Amount Received
Preferential allotment	10,000	15,040,000
Bonus shares allotted (at the ratio of 2 :1)	660,018	-
	<u>670,018</u>	<u>15,040,000</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rupees)

	As at 31 March, 2012	As at 31 March, 2011
4. RESERVES AND SURPLUS		
Securities Premium account		
Balance as per the last financial statements	14,940,000	14,940,000
Add: received during the year on issue of equity shares	-	-
Closing balance	<u>14,940,000</u>	<u>14,940,000</u>
GENERAL RESERVE		
Balance as per the last financial statements	359,961,144	326,561,324
Add: Transfer from Profit & Loss Account	10,000,000	40,000,000
Less: Bonus Issue	-	6,600,180
Closing Balance	<u>369,961,144</u>	<u>359,961,144</u>
Surplus/ (Deficit) in the statement of Profit and Loss		
Balance as per last financial statements	48,496,961	39,669,897
Add: Profit for the year	20,728,154	60,371,645
	<u>69,225,115</u>	<u>100,041,542</u>
Less: Appropriations		
Proposed Dividend	6,930,189	9,900,270
Tax on Dividend	1,124,249	1,644,311
General Reserve	10,000,000	40,000,000
Total appropriations	<u>18,054,438</u>	<u>51,544,581</u>
Net Surplus/(Deficit) in the Statement of Profit and Loss	<u>51,170,677</u>	<u>48,496,961</u>
Total Reserves and Surplus	<u>436,071,821</u>	<u>423,398,105</u>

	Non-current portion		Current maturities	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
5. LONG-TERM BORROWINGS				
Term Loans				
From Banks				
Indian Rupee loans	50,769,232	11,327,595	29,789,136	16,535,950
Foreign currency loans	148,421,588	208,571,589	60,150,000	32,028,411
Supplier's credit	-	-	-	20,867,784
	<u>199,190,820</u>	<u>219,899,184</u>	<u>89,939,136</u>	<u>69,432,145</u>
The above amount includes				
Secured borrowings	199,190,820	219,899,184	89,939,136	69,432,145
[Amount disclosed under the head other current liabilities - Note 11]	-	-	(89,939,136)	(69,432,145)
Net amount	<u>199,190,820</u>	<u>219,899,184</u>	<u>-</u>	<u>-</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

i. Indian Rupee Term Loans from Banks (secured) consist of ;

“Term Loan from HDFC Bank carrying interest rate @ 12% p.a. and repayable in 66 equated monthly instalments beginning from September 29, 2011.”

Term Loan from Kotak Mahindra Bank carrying interest rate @ PLR - 3.5% p.a. and repayable in 45 equated monthly instalments beginning from July 2, 2009.

Term Loan from Kotak Mahindra Bank carrying interest rate @ PLR - 3.5% p.a. and repayable in 39 equated monthly instalments beginning from January 2, 2010.

ii. Foreign currency Term Loans from Banks (secured) consist of;

FCNR Term Loan from HDFC Bank carrying interest rate @ 9.5% p.a. and repayable in 60 equated monthly instalments beginning from February 12, 2008.

ECB Term Loan from Standard Chartered Bank carrying interest rate @ 9.75% p.a. and repayable in 60 equated monthly instalments beginning from November 4, 2011.

iii. Indian Rupee Term Loan and Foreign Currency Term Loans are secured:

(a) by way of First pari passu charge, on hypothecation of all the plant and machinery at the Company's existing plant at Belavadi Industrial Area, Mysore and Registered Office, at Bangalore.

(b) by way of First pari passu charge, on Equitable mortgage of Land and Building at Belavadi Industrial Area, Mysore and Company's Registered Office, at Bangalore.

(c) by way of Second Paripassu charge, on hypothecation of Company's entire current assets including stocks of raw material, semi finished goods and finished goods, consumable stores and spares and such other movables, book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, and

(d) further secured by personal guarantee of the Executive Director.

(Amount in Rupees)

	As at 31 March, 2012	As at 31 March, 2011
6. DEFERRED TAX LIABILITY (NET)		
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	37,440,144	29,548,903
Gross deferred tax liability	<u>37,440,144</u>	<u>29,548,903</u>
Deferred tax Asset		
Employee Benefits	2,558,912	4,697,076
Gross deferred tax asset	<u>2,558,912</u>	<u>4,697,076</u>
Net Deferred Tax Liability	<u>34,881,232</u>	<u>24,851,827</u>
7. OTHER LONG-TERM LIABILITIES		
Dealer Deposits (Interest Free)	30,000	30,000
Others	335,190	335,190
	<u>365,190</u>	<u>365,190</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rupees)

	Non-current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
8. PROVISIONS				
Provision for employee benefits				
Provision for gratuity	6,229,881	6,349,255	1,657,043	1,729,367
Provision for leave benefits*	-	-	-	3,193,197
Provision for other employee benefits	-	-	16,345,838	17,755,591
	<u>6,229,881</u>	<u>6,349,255</u>	<u>18,002,881</u>	<u>22,678,155</u>
Other Provision				
Provision for Equity dividend	-	-	6,930,189	9,900,270
Provision for tax on proposed Equity dividend	-	-	1,124,249	1,644,311
	-	-	8,054,438	11,544,581
	<u>6,229,881</u>	<u>6,349,255</u>	<u>26,057,319</u>	<u>34,222,736</u>

In the current Financial year, the Company has opted for Life Insurance Corporation of India's group leave encashment scheme; accordingly contributed Rs.2,897,277 towards the liability as at 31 March 2012 as per the actuarial valuation provided by Life Insurance Corporation of India . Excess provision of Rs.295,200 has been reversed during the year. Hence no provision has been made for current year.

	As at 31 March, 2012	As at 31 March, 2011
9. SHORT-TERM BORROWINGS		
(i) Cash credit from banks	385,531,682	214,076,247
(ii) Loans from related parties repayable on demand	20,000,000	-
	<u>405,531,682</u>	<u>214,076,247</u>
The above amount includes		
Secured borrowings	385,531,682	214,076,247
Unsecured borrowings	20,000,000	-

Cash credit from banks carry interest rate @ 11.5% - 14% p.a.

(i) Cash credit from banks are secured:

- by way of first Pari passu charge, on hypothecation of Company's entire current assets including stocks of raw material, semi finished goods and finished goods, consumable stores and spares and such other movables, book debts, bills whether documentary or clean, outstanding monies. receivables, both present and future,
- by way of Second pari passu charge, on hypothecation of all the plant and machinery at the Company's existing plant at Belavadi Industrial Area, Mysore and the Registered Office at Bangalore,

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(c) by way of Second pari passu charge, on Equitable mortgage of Land and Building at Belavadi Industrial Area, Mysore and the Registered Office at Bangalore and

(d) further secured by personal guarantee of the Executive Director.

(ii) The above Loans are received from Managing Director and Executive Director of the Company at the interest rate of 10.5% p.a.

(Amount in Rupees)

	As at 31 March, 2012	As at 31 March, 2011
10. TRADE PAYABLES		
Trade payable	181,381,239	109,793,068
	<u>181,381,239</u>	<u>109,793,068</u>
11. OTHER LIABILITIES		
Current maturities of long-term borrowings (note 5)	89,939,136	69,432,145
Unpaid dividend	567,429	411,789
Others		
Interest free deposits from customers*	115,000	-
Advance from Customers	1,091,898	151,778
Discount Payable	2,599,583	4,087,554
Statutory dues	6,490,708	5,250,736
Others	3,397,340	4,029,848
	<u>104,201,094</u>	<u>83,363,850</u>

* Customer deposits are repayable within 6-9 months from the reporting date upon completion of supply contracts.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

12. TANGIBLE ASSETS												
(Amount in Rupees)												
Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As at 31.03.2011 Rs.	Additions Rs.	Deduction/ Transfer Rs.	Total as at 31.03.2012 Rs.	Upto 31.03.2011 Rs.	Deductions Rs.	For the year Rs.	Total upto 31.03.2012 Rs.	As at			
									31.03.2012 Rs.	31.03.2012 Rs.	31.03.2011 Rs.	
Freehold Land	15,037,330	-	-	15,037,330	-	-	-	-	-	15,037,330	15,037,330	
Buildings	106,665,169	142,099,427	-	248,764,596	20,954,893	4,712,781	25,667,674	223,096,922	85,710,276			
Plant & Machinery	469,984,075	117,528,366	2,472,492	585,039,949	198,046,364	189,309	46,365,847	244,222,902	271,937,711			
Furniture & Fixtures	13,815,559	2,898,509	-	16,714,068	4,762,983	1,052,973	5,815,956	10,898,112	9,052,576			
Vehicles	7,202,837	-	-	7,202,837	2,840,335	656,676	3,497,011	3,705,826	4,362,502			
TOTAL	612,704,970	262,526,302	2,472,492	872,758,780	226,604,575	189,309	52,788,277	279,203,543	386,100,395			
Previous Year	477,214,193	135,573,368	82,591	612,704,970	186,298,593	49,057	40,355,039	226,604,575				
Capital work-in-progress	79,352,211			110,183,652					79,352,211			
Previous Year	(18,440,855)			(79,352,211)					(79,352,211)			

Additions to Fixed Assets includes borrowing cost of Rs.1,51,92,331/- added to the qualifying Assets and other relevant expenditure eligible for Capitalization as per the Accounting Standard 10 issued by the Institute of Chartered Accountants of India

Capital Work-in-Progress includes borrowing cost of Rs.60,01,997/- added to the qualifying Asset and other relevant expenditure eligible for Capitalization as per the Accounting Standard 10 issued by the Institute of Chartered Accountants of India

13. INTANGIBLE ASSETS

13. INTANGIBLE ASSETS												
(Amount in Rupees)												
Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As at 31.03.2011 Rs.	Additions Rs.	Deduction/ Transfer Rs.	Total as at 31.03.2012 Rs.	Upto 31.03.2011 Rs.	Deductions Rs.	For the year Rs.	Total upto 31.03.2012 Rs.	As at			
									31.03.2012 Rs.	31.03.2012 Rs.	31.03.2011 Rs.	
Softwares	-	555,180	-	555,180	-	-	111,036	111,036	444,144	-		
TOTAL	-	555,180	-	555,180	-	-	111,036	111,036	444,144	-		
Previous Year	-	-	-	-	-	-	-	-	-	-		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
14. NON-TRADE INVESTMENTS (Valued at Cost unless stated otherwise) (Amount in Rupees)

Name of The Company	Number of Shares as at 31 March 2012	Number of Shares as at 31 March 2011	Face Value	As at 31st March, 2012	As at 31st March, 2011
Investment in Equity instruments (traded - quoted)					
Apollo Tyres Ltd	500	500	Rs.1/-each	2,762	2,762
Bengal & Assam Company Ltd.	4	4	Rs.10/-each	106	106
Ceat Limited	37	37	Rs.10/-each	3,983	3,983
Goodyear India Ltd	200	200	Rs.10/-each	9,850	9,850
Govind Rubber Ltd	200	200	Rs.10/-each	1,750	1,750
ICICI Bank Ltd	408	408	Rs.10/-each	22,200	22,200
J.K.Agri Genetics Limited	5	5	Rs.10/-each	332	332
J.K.Sugar Ltd.	7	7	Rs.10/-each	464	464
J.K.Tyre & Industries Ltd	60	60	Rs.10/-each	4,504	4,504
Modi Rubber Ltd	50	50	Rs.10/-each	2,800	2,800
MRF Ltd	50	50	Rs.10/-each	12,850	12,850
Summit Securities Limited	2	2	Rs.10/-each	120	120
T.V.S. Srichakra Tyre Ltd	100	100	Rs.10/-each	1,975	1,975
Investment in Equity instruments (traded - unquoted)					
Dewan Tyres Ltd.	100	100	Rs.10/-each	1,355	1,355
Bombay Tyres International Ltd	50	50	Rs.10/-each	1,490	1,490
Dunlop India Ltd	100	100	Rs.10/-each	6,500	6,500
				<u>73,041</u>	<u>73,041</u>

(Aggregate Market value of equity shares quoted is Rs.10,19,147/- Previous year Rs.9,02,080/-)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rupees)

	Non-current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
15. LOANS AND ADVANCES				
Capital Advances				
Unsecured, considered good	4,422,601	67,313,366	-	-
(A)	<u>4,422,601</u>	<u>67,313,366</u>	<u>-</u>	<u>-</u>
Security Deposit				
Unsecured, considered good	6,391,694	5,359,454	-	-
(B)	<u>6,391,694</u>	<u>5,359,454</u>	<u>-</u>	<u>-</u>
Other Loans and Advances				
Advance Income-tax (net of provision for taxation)	-	-	6,320,712	6,221,088
MAT credit entitlement	-	-	6,059,447	-
Advances to Suppliers	-	-	2,970,015	-
Prepaid expenses	-	-	1,874,679	1,313,698
Loans to employees	1,484,145	1,743,753	940,426	866,062
Balances with Statutory / Government authorities	-	-	13,399,081	8,606,497
Others	-	-	222,320	20,250,268
(C)	<u>1,484,145</u>	<u>1,743,753</u>	<u>31,786,680</u>	<u>37,257,613</u>
Total (A+B+C)	<u>12,298,440</u>	<u>74,416,573</u>	<u>31,786,680</u>	<u>37,257,613</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
16. TRADE RECEIVABLES AND OTHER ASSETS
(Amount in Rupees)

	Non-current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
16.1 Trade Receivables				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	966,901	3,529,629	9,387,691	958,042
Doubtful	-	-	-	314,721
	<u>966,901</u>	<u>3,529,629</u>	<u>9,387,691</u>	<u>1,272,763</u>
Provision for doubtful trade receivables	-	-	-	314,721
(A)	<u>966,901</u>	<u>3,529,629</u>	<u>9,387,691</u>	<u>958,042</u>
Other receivables				
Unsecured, considered good	-	-	345,395,665	266,041,569
Doubtful	-	-	-	-
	<u>-</u>	<u>-</u>	<u>345,395,665</u>	<u>266,041,569</u>
Provision for doubtful trade receivables	-	-	-	-
(B)	<u>-</u>	<u>-</u>	<u>345,395,665</u>	<u>266,041,569</u>
	<u><u>966,901</u></u>	<u><u>3,529,629</u></u>	<u><u>354,783,356</u></u>	<u><u>266,999,611</u></u>
16.2 Other Assets				
Others				
Interest accrued on fixed deposits	-	-	67,076	7,949
Total	<u>-</u>	<u>-</u>	<u>67,076</u>	<u>7,949</u>

	As at 31 March, 2012	As at 31 March, 2011
17. INVENTORIES (Valued at lower of cost and net realizable value)		
(i) Inventories:		
Raw materials and components	113,960,431	123,990,903
Goods-In-Transit	7,648,043	-
Work-in-progress	108,428,125	74,898,715
Finished goods	26,271,791	41,548,271
Packing Materials	963,680	553,026
Stores and spares	34,436,607	28,309,434
Loose Tools	3,184,104	2,611,264
	<u>294,892,781</u>	<u>271,911,613</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

18. CASH AND BANK BALANCES

(Amount in Rupees)

	Non-current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Balances with Banks:				
On current accounts	-	-	55,977	1,898,497
Cheques/ Drafts on Hand	-	-	-	109,266
Cash on hand	-	-	118,365	137,625
	-	-	174,342	2,145,388
Other Bank balances				
On Unpaid Dividend Account			584,898	425,709
Margin Money Deposit*	-	-	4,000,000	4,000,000
	-	-	4,584,898	4,425,709
Total	-	-	4,759,240	6,571,097

*Margin money deposits given as security

Fixed Deposit of Rs.40,000(March 31, 2011 : Rs.40,00,000) with HDFC Bank Limited represents Margin Money Deposit against LC considered to be Current.

	As at 31 March, 2012	As at 31 March, 2011
19. REVENUE FROM OPERATIONS		
Sale of products	1,524,941,620	1,382,161,207
Other operating Income	63,402,336	-
	1,588,343,956	1,382,161,207
Less : Excise Duty Paid	149,274,665	135,156,623
Revenue from operations	1,439,069,291	1,247,004,584
20. Other Income		
Interest income on		
Bank deposits	385,070	293,461
Others	195,406	228,452
Dividend income on Long-term investments	10,132	9,539
Gain on account of foreign exchange fluctuations (net)	440,723	614,863
Creditors written back	2,112,528	-
Rent Received	273,000	239,312
Other non-operating income	35,701	47,765
	3,452,560	1,433,392

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(Amount in Rupees)

	As at 31 March, 2012	As at 31 March, 2011
21. DETAIL OF RAW MATERIAL CONSUMED		
Brass:		
Opening Stock	91,902,859	57,017,314
Add: Purchases during the year	830,893,909	693,540,041
Closing Stock	89,600,457	91,902,859
(A)	<u>833,196,311</u>	<u>658,654,496</u>
Rubber:		
Opening Stock	25,414,324	18,409,911
Add: Purchases during the year	129,712,341	139,660,875
Closing Stock	17,275,975	25,414,324
(B)	<u>137,850,690</u>	<u>132,656,462</u>
Others:		
Opening Stock	6,400,414	11,506,336
Add: Purchases during the year	35,895,265	32,483,519
Closing Stock	7,083,999	6,673,720
(C)	<u>35,211,680</u>	<u>37,316,135</u>
Total Raw material Consumed (A+B+C)	<u><u>1,006,258,681</u></u>	<u><u>828,627,093</u></u>
22. (INCREASE)/ DECREASE IN INVENTORIES		
Inventories at the end of the year		
Work-in-progress	108,428,125	74,898,715
Finished goods	26,271,791	41,548,271
	<u>134,699,916</u>	<u>116,446,986</u>
Inventories at the beginning of the year		
Work-in-progress	74,898,715	70,483,118
Finished goods	41,548,271	11,001,364
	<u>116,446,986</u>	<u>81,484,482</u>
	<u>(18,252,930)</u>	<u>(34,962,504)</u>
23. Employee Benefit Expense		
Salaries, wages and bonus	117,261,539	106,784,093
Contribution to Provident and other fund	8,895,573	8,475,190
Gratuity expense	2,230,845	4,486,504
Staff welfare expenses	8,326,186	7,976,446
Directors Remuneration-MD	3,809,864	4,937,630
Directors Remuneration-ED	3,139,976	4,470,119
	<u>143,663,983</u>	<u>137,129,982</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	<i>(Amount in Rupees)</i>	
	As at 31 March, 2012	As at 31 March, 2011
24. OTHER EXPENSES		
Administrative Expenses		
Electricity and water charges	51,597,147	47,175,036
Freight and forwarding charges	3,653,139	3,146,996
Rent	841,276	418,602
Rates and taxes	963,866	1,123,133
Insurance	1,445,901	1,620,050
Repairs and maintenance		
Plant and machinery	888,259	2,570,366
Buildings	642,514	1,354,802
Others	1,294,663	1,420,411
Advertising and sales promotion	1,820,521	2,850,070
Travelling and conveyance	3,270,021	3,008,793
Communication costs	1,119,716	1,108,208
Printing and stationery	1,653,261	1,757,885
Legal and professional fees	7,217,878	7,266,095
Directors' sitting fees	350,000	350,000
Directors' Commission	397,054	-
Payment to Auditor (Refer details below)	468,161	159,120
Vehicle Maintenance	909,998	622,350
Watch & Ward	2,265,982	1,644,569
Light & Water	137,349	156,645
Packing Material Consumed	21,602,584	18,317,210
Stores & Spares consumed	69,103,073	66,334,543
Donation	130,000	105,000
Loss on sale of fixed assets (net)	1,132,883	11,502
Bank charges	1,793,708	1,499,409
Miscellaneous expenses	513,357	575,190
	<u>175,212,311</u>	<u>164,595,985</u>
Payment to Auditors		
As Auditor:		
- Statutory Audit Fee	296,545	100,000
- Taxation Matters	76,845	30,000
- Company Law matters	33,090	-
- Reimbursement of expenses	61,681	29,120
	<u>468,161</u>	<u>159,120</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(Amount in Rupees)	
	As at 31 March, 2012	As at 31 March, 2011
25. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of tangible assets	52,788,277	40,355,039
Amortization of intangible assets	111,036	-
	52,899,313	40,355,039
26. FINANCE COSTS		
Interest Expenses	51,120,337	23,709,031
Other Borrowing Costs	744,525	
	51,864,862	23,709,031
27. Contingent Liabilities :		
a) Letters of Credit outstanding	112,773,048	29,866,705
b) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	30,741,138	91,178,366
28. "Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act): Based on the information available with the company, there are no Micro, Small and Medium enterprises, to which the company owes dues, which are outstanding for more than 45 days as at 31st March, 2012. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006".		
29. Confirmation letters of balances to Sundry Debtors & Creditors have been sent by the Company and some confirmatory Letters have been received and reconciled.		
30. The actuarial value of Gratuity liability As at 31st March 2012 is Rs. 20,563,878/- (Rs.20,602,252) as per the workings under AS15 (Revised) issued by the Institute of Chartered Accountants of India		
Gratuity Report under AS-15 (Revised 2005) for year ended 31 March, 2012		
The following tables sets out the funded status of the gratuity plans and the amounts recognized in the Company's Financial Statements as at 31 March, 2012		
a) Assumption :		
Discount Rate	8.00%	8.00%
Salary Escalation	5%	6.50%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

b) Table Showing changes in present value of Obligation:

	2011-12	2010-11
Present value of obligation as at beginning of year	20,602,252	19,101,155
Interest Cost	1,648,180	1,528,092
Current Service Cost	1,166,852	1,094,160
Benefits Paid	(1,729,367)	(667,647)
Actuarial (gain) / loss on obligation	(1,124,039)	(453,508)
Present value of obligation as at end of year	20,563,878	20,602,252

c) Table showing changes in the fair value of plan assets:

Fair value of plan assets at beginning of year	14,279,024	13,713,866
Expected return on plan assets	1,333,586	1,232,805
Contributions	2,018,711	1,100,000
Benefits Paid	(1,729,367)	(667,647)
Actuarial gain / (loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	15,901,954	15,379,024

d) Table showing fair value of plan assets :

Fair value of plan assets at beginning of year	14,279,024	13,713,866
Actuarial return of plan assets	1,333,586	1,232,805
Contributions	2,018,711	1,100,000
Benefits Paid	(1,729,367)	(667,647)
Fair value of plan assets at the end of year	15,901,954	15,379,024
Funded status	4,661,924	5,223,228

Excess of Actual over estimated return on plan assets NIL

(Actual rate of return - Estimated rate of return as ARD falls on 31st March)

e) Acturial Gain / Loss recognised :

Acturial (gain) / loss on obligations	1,124,039	453,508
Acturial (gain) / loss the year - plan assets	-	-
Total (gain) / loss for the year	(1,124,439)	453,508
Acturial (gain) / loss recognised in the year	(1,124,439)	453,508

f) The amount to be recognised in the Balance Sheet and statement of Profit and Loss :

Present value of obligation as at the end of the year	20,563,878	20,602,252
Fair value of plan assets as at the end of the year	15,901,954	15,379,024
Funded status	(4,661,924)	(5,223,228)
Net asset / (liability) recognised in Balance Sheet	(4,661,924)	(5,223,228)

Note: the above liability does not include the Gratuity Liability of Managing Director which is provided on last drawn salary basis. Total Liability provided as on date is Rs.32,25,000/-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

31. Rs.14,92,74,665/- of Excise duty paid includes Rs. 28,89,991/- (Rs.38,79,848) being provision made for duty payable on the unsold stock of finished goods.

32. Related Party Transactions:

Information given in accordance with the requirements of Accounting Standard 18 on related party disclosures issued by the Institute of Chartered Accountants of India

Name of the Party	Nature of Relationship	
(i) M/s Suvardhan, Bangalore Partnership Firm	Firm where Directors are interested	
(ii) Mrs. Anuradha M.Gokarn & Mr.Aditya M.Gokarn.	Key Managerial Personnel	
(iii) Transaction with the above related party.		
	Transactions for the year ended March 31, 2012	Transactions for the year ended March 31, 2011
(a) Nature of Transactions:		
Suvardhan, Bangalore		
Purchase of Goods	12,168,778	8,498,774
Purchase of Assets	-	16,229,000
Job Work	-	3,460,510
Sales	-	11,634
Rent Received	51,348	51,348
(b) Balance as at March 31, 2012		
Receivables	-	-
Payable	3,000,360	687,911
(iv) Managerial Remuneration:		
(i) Mrs. Anuradha M. Gokarn *	4,108,664	5,214,830
(ii) Mr. Aditya M. Gokarn *	3,327,176	4,457,319
*includues contribution to Provident Fund	7,435,840	9,672,149

33. In Calculating Basic and Diluted Earnings per Share:

	Current Year Rs.	Previous Year Rs.
Numerator used:		
a) Profit after Tax	20,728,154	60,371,645
Denominator used:		
b) Number of equity shares	990,027	980,328

Note: Weighted Average Number of shares, bonus shares issued towards preferential allotment made during the year has been considered only for the previous year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

34.1 a) CIF Value of Imports :

	Current Year Value (Rs.)	Previous Year Value (Rs.)
i) Raw Materials	180,919,196	114,338,654
ii) Stores & Spares	4,943,954	4,855,846
iii) Machinery	29,259,916	99,565,613
b) Expenditure in Foreign Currency :		
i) Travelling	17,653	-
Total	215,140,719	218,760,113

c) Value of Imported and Indigenous Materials Consumed :

	Current Year		Previous Year	
	Value (Rs.)	% to total	Value (Rs.) consumption	% to total consumption
i) Raw Materials				
Imported	70,244,648	6.98	128,338,066	15.49
Indigenous	936,014,033	93.02	700,289,027	84.51
	1,006,258,681	100.00	828,627,093	100.00
ii) Stores, Spares & Components :				
Imported	3,174,892	4.59	2,860,314	4.31
Indigenous	65,928,181	95.41	63,474,229	95.69
	69,103,073	100.00	66,334,543	100.00

34.2 a) Earnings in Foreign Exchange:

	Current Year Value (Rs.)	Previous Year Value (Rs.)
Export of goods.	73,739,283	6,204,510

35. The previous year's figures are regrouped and rearranged wherever necessary.

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No.000515S

For and on behalf of the Board of Directors

G. Srinivas
Partner
Membership No.86761

M.R.Hosangady
Chairman

Anuradha M.Gokarn
Managing Director

Bangalore
18th May 2012

Triton Valves Limited
Sunrise Chambers, 22 Ulsoor Road, Bangalore - 560 042

ATTENDANCE SLIP

I hereby record my presence at the Thirtysixth Annual General Meeting held on Wednesday, July 25, 2012 at 04.30 p.m. at Hotel Ajantha, 22-A, M.G. Road, Bangalore - 560 001.

Name of the Shareholder(s)
(In Block Capitals)

Name of the Proxy or Company Representative
(In Block Capitals)

Signature of Shareholder(s) or
Proxy or Company Representative

Note: 1. A Proxy attending on behalf of Shareholder(s) should write the name of the Shareholder(s) from whom he holds Proxy.

2. Members are requested to bring their copy of the Annual Report with them to the Meeting as additional copies of the same not be made available at the Meeting.

Reg. Folio No.

* Client ID No.

* DP ID No.

No. of Shares held

* Applicable for investors holding shares in electronic form.



Triton Valves Limited
Sunrise Chambers, 22 Ulsoor Road, Bangalore - 560 042

PROXY FORM

I/We.....of.....in
the district of being a Member / Members of the above named Company hereby appoint Mr./Mrs./Ms.
.....of.....
.....in the district ofor failing him of.....
in the district ofas my / our proxy to vote for me us
on my / our behalf at the Thirtysixth Annual General Meeting of the Company to be held on Wednesday,
July 25, 2012 at 04.30 p.m. at Hotel Ajantha, 22-A, M.G. Road, Bangalore - 560 001.

Signed this.....day of.....2012

Reg. Folio No.

No. of Shares held

* Client ID No.

* DP ID No.

Note: The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited at the Registered Office of the company not less than FORTY-EIGHT HOURS before the time fixed for holding the meeting.

* Applicable for investors holding shares in electronic form.

(Signature)

Registered Office :

Triton Valves Limited
Sunrise Chambers
22, Ulsoor Road
Bangalore - 560 042