

## 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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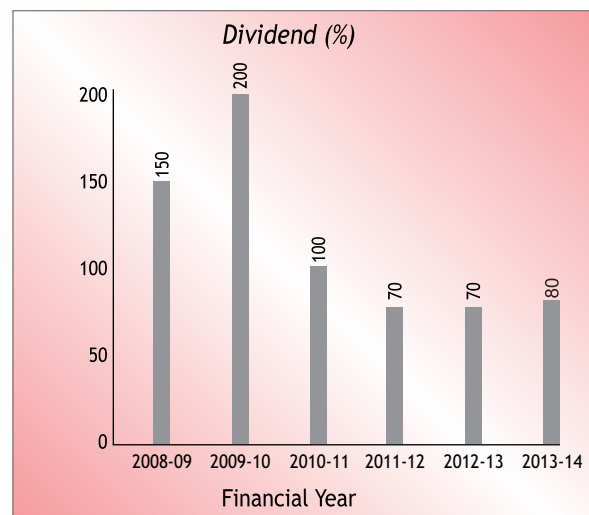
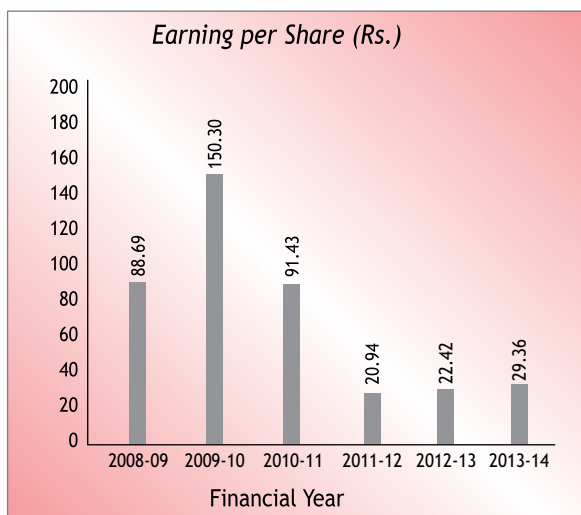
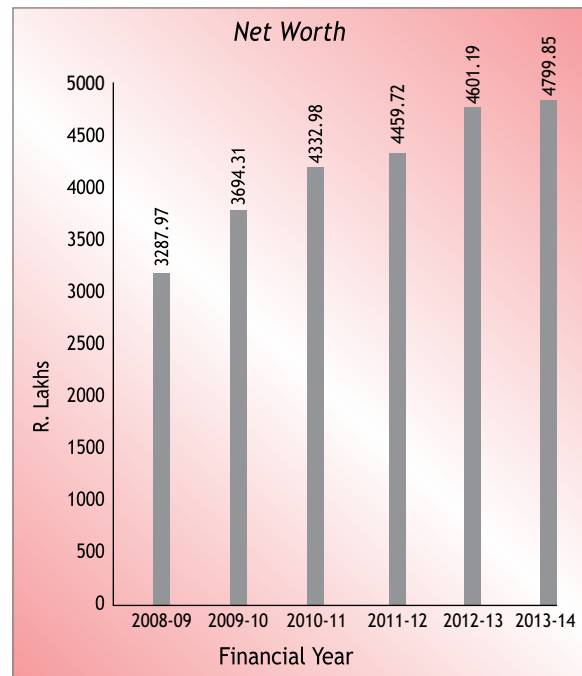
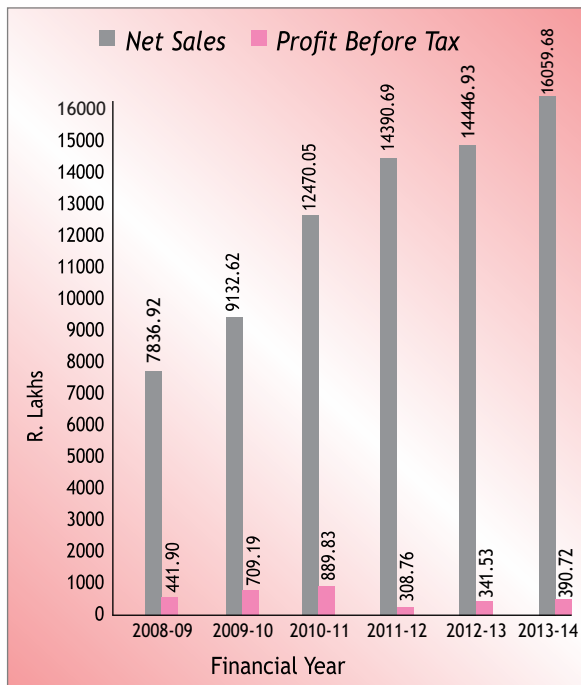
### General Shareholders' Information:

- |  |   |  |
|--|---|--|
| 1. Time & Date of AGM                          | : | 04.00 p.m on Thursday the 14th of August 2014  |
| 2. Venue of AGM                                | : | The Gateway Hotel, Residency Road,<br>Bangalore-560025                                       |
| 3. Dates of Book Closure                       | : | 5th August 2014 to 14th August 2014  |
| 4. Financial Year                              | : | 1st April to 31st March each year  |
| 5. Dividend Payment Date                       | : | on or before 13th September 2014   |
| 6. The equity shares of Rs.10/- each listed at | : | Bombay Stock Exchange Limited<br>Phiroze Jeejeebhoy Towers, Dalal Street,<br>Mumbai-400 001. |

## TEN YEARS AT A GLANCE

Rs. Lakhs

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Net Sales	4552.90	4910.12	6438.47	7469.12	7836.92	9132.62	12470.05	14390.69	14446.93	16059.68
Profit Before Tax	687.04	372.50	293.53	383.45	441.90	709.19	889.83	308.76	341.53	390.72
Profit After Tax	439.13	245.43	199.72	241.24	283.82	480.98	603.72	207.28	222.01	290.71
Dividend	140%	125%	100%	125%	150%	200%	100%	70%	70%	80%
Earnings per Share	137.22	76.69	62.41	75.39	88.69	150.30	91.43	20.94	22.42	29.36
Gross Fixed Assets	1528.08	1796.44	2372.06	3664.40	4412.69	4772.14	6127.05	8727.59	10235.43	10351.08
Net Worth	2504.50	2753.44	2915.72	3054.62	3287.97	3694.31	4332.98	4459.72	4601.19	4799.85



## **BOARD OF DIRECTORS**

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

## **BANKERS**

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

## **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 Thirtyeighth Annual General Meeting of Triton Valves Limited will be held at The Gateway Hotel, Residency Road, Bangalore-560025 on Thursday the 14th of August 2014 at 04.00 P.M to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014, Statement of Profit and Loss 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 Auditors and fix their remuneration and in that behalf to consider and if thought fit, to pass the following Resolution as Ordinary Resolution.

“Resolved that pursuant to Section 139(1) and other applicable provisions, if any of the Companies Act 2013, Memorandum and Articles of Association of the Company and any other law or guidelines applicable, if any for the time being in force, the Board of Directors of the Company be and is hereby authorized to reappoint M/s Brahmayya & Co., Chartered Accountants to hold office from the conclusion of this Annual General Meeting to the conclusion of the 43rd Annual General Meeting and to fix their remuneration subject to ratification in every subsequent Annual General Meeting”.

### Special Business

4. To appoint Dr. B.R. Pai (DIN:00184753) as an Independent Director and in this regard 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 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act 2013 and Clause 49 of the Listing agreement, Dr.B.R.Pai (DIN:00184753), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act 2013 from a Member proposing his candidature for the office of the Director, be and hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term up to the conclusion of 41<sup>st</sup> Annual General Meeting of the Company in the calendar year 2017’.

### Borrowing powers of the Board of Directors

5. To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED that in supersession of the earlier Resolutions passed, the consent of the Company be and is hereby accorded in terms of Section 180(1)(c) and other applicable provisions, if any, on the Companies Act 2013 to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) for borrowing from time to time any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up Capital of the Company and its free Reserves, that is to say, Reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed Rs.100 crore”.

Bangalore  
30th May 2014

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

By order of the Board of Directors of  
Triton Valves Limited

**ADITYA M. GOKARN**  
Managing Director

## NOTICE

1. The Explanatory Statement in regard to Special Business as required pursuant to Section 102 of the Companies Act, 2013 is annexed.
2. In terms of Section 105 of the Companies Act, 2013, a Member entitled to attend and vote at a General Meeting is entitled to appoint another person (whether a Member or not) as his/her proxy to attend and vote instead of himself/herself but a proxy so appointed shall not have any right to speak at the meeting. A person appointed as proxy shall be entitled to vote only upon a poll. Further, as per the provisions of Section 105 read with Rule 19(2) of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total Share Capital of the Company carrying voting rights provided that a Member holding more than ten percent, of the total Share Capital of the Bank carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Shareholder. A form of proxy is enclosed to this notice. No instrument of proxy shall be valid unless:
  - a. It is signed by the Member or by his/her attorney duly authorised in writing or, in the case of joint holders, it is signed by the Member first named in the register of Members or his/her attorney duly authorised in writing or, in the case of Body Corporate, it is executed under its common seal, if any, or signed by its attorney duly authorised in writing; provided that an instrument of proxy shall be sufficiently signed by any Member, who for any reason is unable to write his/her name, if his/her thumb impression is affixed thereto, and attested by a Judge, Magistrate, Registrar or Sub-Registrar of assurances or other Government gazetted officers.
  - b. It is duly stamped and deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting, together with the power of attorney or other authority (if any), under which it is signed or a copy of that power of attorney certified by a notary public or a magistrate unless such a power of attorney or the other authority is previously deposited and registered with the Company.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 5<sup>th</sup> August 2014 to 14<sup>th</sup> August 2014 (both days inclusive).
4. Register of Members shall be available for inspection at the Registered Office of the Company during office hours on all working days between 11.00 a.m. and 1.00 p.m.
5. The dividend recommended by the Board, if approved at the Annual General Meeting, will be paid on or before 13<sup>th</sup> September 2014 to the Shareholders whose names appear in the Register of Members of the Company as on 5<sup>th</sup> August 2014. 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, 1<sup>st</sup> Floor, 2<sup>nd</sup> Main, Near 14<sup>th</sup> 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 125(5) read with Section 469 of the Companies Act, 2013, be transferred to the Investors Education and Protection Fund. The Company has transferred the unclaimed dividend up to the Financial Year ended 31<sup>st</sup> March 2006 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.

## NOTES

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

Particulars	Dr.B.R.Pai
Date of Birth	November 27, 1944
Date of Appointment	January 26, 2006
Qualifications	B.tech., M.Sc.Engg. & D.I.C., Ph.D.
Expertise in specific functional area	Research in the field of combustion, heat transfer and energy systems.
Directorships held in other Public Companies	1
Memberships/Chairmanships of Committees of other Public Companies (includes only Audit and Shareholder Grievance Committees)	Nil
No. of shares held in the Company	1350

8. In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (the Rules), the Items of Business given in AGM Notice may be transacted through electronic voting system and the Company is providing e-voting facility to the Members who are the Members as on 11th July 2014 (End of Day) being the "Record Date" fixed for the purpose, to exercise their right to vote at the thirtyeighth AGM by electronic means through the e-voting platform provided by National Securities Depository Ltd. (NSDL).

9. Necessary certificate as required under The Companies (Audit & Auditors) Rules 2014 has been obtained.

Bangalore  
30th May 2014

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

By order of the Board of Directors of  
Triton Valves Limited

**ADITYA M. GOKARN**  
Managing Director



## EXPLANATORY STATEMENT UNDER SECTION 102 OF COMPANIES ACT, 2013

### Items 5

On 16th June 2010, Members of the Company by way of an Ordinary Resolution passed through Postal Ballot had accorded its consent to the Board of Directors to borrow funds and to mortgage and/or create charge on all or anyone of the moveable/immovable properties or such other assets of the Company, to the extent of Rs. 100 Crores.

Consequent to implementation of Section 180 of the Companies Act, 2013 consent of the Company is required by way of a Special Resolution to borrow funds in excess of the Paid up Capital and free Reserves of the Company. Accordingly item no 5 has been put forward for your approval. For the avoidance of doubt, it is clarified that this Resolution does not increase the amounts that may be borrowed by the Board of Directors or the amount of charges that may be created that had already been approved by the Members of the Company.

The Board of Directors recommends the Resolution No.5 for your approval as Special Resolution.

None of the Directors are deemed to be interested in this Resolution.

### E -VOTING OPTION

We are pleased to offer e-voting facility also as an alternate for our Members which would enable you to cast your votes electronically. E-voting is **optional**. Please carefully read and follow the instructions on e-voting printed in this notice.

The Scrutinizer will submit his report to the Managing Director of the Company, upon completion of scrutiny of e-voting in a fair and transparent manner and the result posted on the Company website [www.tritonvalves.com](http://www.tritonvalves.com) besides communicating to the Bombay Stock Exchange Limited.

The result will also be announced through newspaper advertisement.

1. The Board of Directors has appointed S.Kedarnath & Associates, Company Secretaries as the scrutinizer to conduct the e-voting process in a fair and transparent manner.
2. The statement as required under Section 102 of the Companies Act 2013 is annexed to this Notice.
3. The Notice is being sent to all the Members by post (and electronically) by email to those Members who have registered their email IDs with the Company whose names appear in the Register of Members/Record of Depositories as on 11th July 2014. The voting shall be reckoned in proportion to a Member's share of the Paid up Equity Share Capital of the Company as on 5<sup>th</sup> August 2014.
4. The Notice is also being published in the Business Standard and Samyuktha Karnataka.
5. The Notice has also been published on the website of the Company [www.tritonvalves.com](http://www.tritonvalves.com)

### Instructions for Voting:

#### E-Voting Facility

1. The Company is pleased to offer e-voting facility for the Members to enable them to cast their votes electronically instead of dispatching Ballot Form. Members have an option to vote either through e-voting or through Ballot Form. If a Member has opted for e-voting then he/she should not vote by Ballot also and Vice-a-versa. However, in case Members cast their vote both via Ballot and e-voting then voting through Physical Ballot shall prevail and voting done by e voting shall be treated as invalid. The instructions for Members for e-voting are as under.

- i. Open your web browser during the voting period and log on to the e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- ii. Now click on “Shareholders” to cast your votes
- iii. Now select the Electronic Voting Sequence Number (EVSN) along with “TRITON VALVES LIMITED” from the drop down menu and click on SUBMIT
- iv. Now fill up the following details in the appropriate boxes:

Enter	For Members holding Shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL-8 Character DP ID+8 Digits Client ID For CDSL -16 digits Beneficiary ID	Registered Folio Number with the Company
Password	Your Unique Password has been printed on the Postal Ballot Form	For seeking the Password if it is printed on the Postal Ballot Form, Members are requested to send a written and signed request to the Company/Registrar and Share Transfer Agent stating the email id at which the Password & Default Number” would be sent by the Company. Alternatively a scanned copy of such request can also be emailed at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a>
PAN or Default Number	Enter your 10 digit alphanumeric Permanent Account Number issued by Income Tax Dept.	Enter the Default Number sent to you by the Company (along with the Password) on your email id as provided by you.

After entering these details appropriately, click on “SUBMIT” tab.

- v. After logging in the details of User id Password, PAN or Default Number, the Members holding Shares in physical form will reach directly to the voting screen. However Members holding shares in DEMAT form will now be required to mandatorily change their password in the new password field and may enter their demographic details i.e. mobile number and email id. The same email id can be used in case the MEMBER forgets the password and the same needs to be reset. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z) one numeric value (0-9) and a special character. Kindly remember that this password can be used by the demat Shareholders for voting of Resolution of any other Company in which they are eligible to vote, provided that Company opts for e-voting through NDSL E-Voting platform.
- vi. If you are a Shareholder, holding Shares in Demat form and has logged on to [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and cast your vote for an earlier EVSN of any other Company or changed your password then you may continue to use your existing login id and password.
- vii. For Members holding Shares in physical form, the password and default number can be used only for e-voting on the Resolutions.

- viii. On the voting page, you will see Resolution Description and against the same the option YES/NO for voting. Enter the number of Shares under YES/NO or alternatively you may partially enter any number in YES and partially NO, but the total number in YES and NO taken together should not exceed your total Shareholding. The Option YES implies that your assent to the Resolution and NO implies that your dissent to the Resolution.
- ix. Click on the Resolution File Link if you wish to view the entire Resolution file.
- x. After selecting the Resolution you have decided to vote on, click on SUBMIT. A confirmation box will be displayed. If you wish to confirm your vote, click on OK else to change your vote, click on CANCEL and accordingly modify your vote.
- xi. Once you CONFIRM your vote on the Resolution, you will not be allowed to modify your vote.
- xii. In case you have any queries or issues regarding e-voting, please contact on [evoting@nsdl.com](mailto:evoting@nsdl.com)
- xiii. Institutional Members (i.e., other than individuals, HUF, NRI etc) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly Authorized Signatory(ies) who are authorized to vote, to the Scrutinizer through e mail at [skedarnathassociates@gmail.com](mailto:skedarnathassociates@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com).

**GENERAL:**

1. The scrutinizer will submit the report to the Managing Director of the Company after completion of scrutiny.
2. The results e-voting will be announced by the Managing Director or any other Director on 14th August 2014 at the Registered Office of the Company.
3. The result of Annual General Meeting shall also be informed to the Stock Exchanges, hosted on the Company's website [www.tritonvalves.com](http://www.tritonvalves.com) and published in newspapers.

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Thirty-eighth Annual Report together with the Audited Accounts for the year ended 31st March 2014.

### 1. Financial Results

During the year under review, the Company achieved the following financial results:

	31.03.2014 (Rs. Lakhs)	31.03.2013 (Rs. Lakhs)
Total Income	16067.43	14502.29
Profit Before Tax	390.72	341.53
Provision for Taxation	100.01	119.52
Profit After Tax	290.71	222.01
Add: (a) Balance Brought Forward	453.18	511.71
Profit available for appropriation	743.89	733.72
<b>Appropriations</b>		
Proposed Dividend on equity shares	79.20	69.30
Tax on Dividend	12.85	11.24
General Reserve	300.00	200.00
Balance Carried Forward	351.84	453.18
	<u>743.89</u>	<u>733.72</u>

### 2. Dividend

Your Directors are pleased to recommend a dividend of Rs 8/- per Equity Share (80 %) for the Financial Year ended 31st March 2014.

### 3. Performance

The Company's sales turnover net of excise duty and discount increased by 11% to Rs. 160.60 crore against Rs. 144.47 crore in the previous year. Operating Profit Margin improved on account of the effective cost control measures implemented during the year. Profit Before Tax increased to Rs.391 lakhs from the previous year's level of Rs.342 lakhs representing an increase of 14.43 %. Profit After Tax increased by 30% over the previous year to Rs. 290.71 lakhs.

### 4. Prospects for the Financial Year 2014-15

Your Company expects to perform well in the year ahead. The automotive industry is expected to show some improvement in the second half of the Financial Year. The stable new government at the center is expected to take many steps to revive the economy to a better level of growth. The opening of new customer accounts, increasing market share in key market segments and increasing product offerings to customers is also expected to improve the prospects for the year ahead.

### 5. Board of Directors

Dr.B.R.Pai retires by rotation at the Annual General Meeting and being eligible has offered himself for re-appointment.

## 6. Corporate Governance

As per Clause 49 of the Listing Agreement with the Stock Exchange, a separate report on Corporate Governance and Management Discussion and Analysis together with a certificate from the Company's Auditors confirming the compliance of conditions of Corporate Governance is attached to this report.

## 7. Particulars of Employees

In terms of the provisions of Section 217(2a) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are set out in the annexure to the Directors' Report. However, having regard to the provisions of section 219(1)(b)(4) of the Companies Act 1956, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and other entitled thereto. Any Member interested in obtaining a copy of such particulars may write to the Company Secretary at the Registered Office of the Company.

## 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. Cost Audit

Cost Audit under Section 233B of the Companies Act 1956 is applicable to your Company for the Financial Year 2013-14. The due date for filing the cost audit report with the Ministry of Corporate Affairs is 30<sup>th</sup> September 2014. The Company has appointed Rao, Murthy & Associates as the Cost Auditors for the year ended 31st March 2014. The report shall be filed by the Company before the due date.

## 10. Employee Relations

Employee relations continued to be cordial during the year.

## 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. Recognition of R & D Centre**

The Company had applied for recognition for its in-house R&D Center during the year with the Department of Scientific and Industrial Research (DSIR). We wish to inform our shareholders that the recognition had been obtained with effect from 28th January 2014 and is valid up to 31<sup>st</sup> March 2016.

#### **16. Appreciation**

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, Kotak Mahindra Bank and ICICI 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  
30th May 2014

S.K.Welling  
Chairman

## ANNEXURE TO DIRECTORS' REPORT

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

### A. CONSERVATION OF ENERGY

- a. Power factor has been improved to 0.99 by installing capacitors in the Main Voltage Panel
- b. Power consumption has been reduced by process improvement in moulding
- c. High energy consumption equipment is operated during off-peak hours to take advantage of the lower power tariff
- d. Efficiency of chiller units has been increased by innovative design of cooling water circuits
- e. Action initiated to introduce LED lights in place of metal halide lamps
- f. Solar heating is being used in place of electrical heating in some areas

### B. TECHNOLOGY ABSORPTION

#### 1. Research and Development (R&D)

The specific areas in which R&D was carried out by the Company are:

- a. Development of new products for the domestic and export markets.
- b. Development of new rubber compounds and formulations
- c. Development of new tools, moulds, jigs and fixtures.
- d. Development of new manufacturing processes and techniques
- e. Development of new equipment and modification of existing machinery.

#### 2. Benefits derived as a result of the above R&D

The R&D activities are primarily carried out in our in-house, independent R&D Center located within our Mysore facility. The R&D center is well equipped to cater to our needs. New products are continuously designed, developed and tested for compliance to internationally recognized standards as well as customer specific requirements. The development of new tools, moulds and fixtures has resulted in increased productivity, waste reduction and improvement in quality. Several new and improved manufacturing processes have been developed which have resulted in reduction in scrap generation and improvements in product performance. Development of new equipment has resulted in savings in capital expenditure and increased levels of shop-floor automation.

#### 3. Future Plan of Action

It is planned to develop new products to meet the changing needs of customers. It is also proposed to focus on process improvements for cost reduction and quality improvement. Another area of work which the Company has identified is to reduce the adverse impact of manufacturing on the environment. It is proposed to take up projects which will substitute existing processes with more environmental friendly ones.

To develop substitutes for imported tools, spares and raw materials

To develop new products for domestic and export markets in applications other than tyre valves and valve cores

To develop high performance products to suit high temperature and high pressure applications

To substitute hazardous materials used in manufacturing with eco-friendly ones

**4. Expenditure on Research & Development**

R&D Expenses	2013-14 (Rs. lakh)	2012-13 (Rs. lakh)
a. Capital	19.47	37.59
b. Recurring	108.24	106.40
Total	127.71	143.99
Total R&D expenditure as a percentage of turnover	0.80%	0.99%

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

	Equivalent in Rupees
Foreign exchange earned through exports	Rs. 1880.50 lakh
Foreign exchange used	Rs. 7654.02 lakh

For and on behalf of the Board of Directors

Bangalore  
30th May 2014

S.K.Welling  
Chairman



## MANAGEMENT DISCUSSION AND ANALYSIS

### Tyre Valve Industry Structure and Developments

Your Company's primary business is the design, manufacture and sale of automotive tyre valves, valve cores and accessories. Your Company is a major Original Equipment (OE) supplier to both the tyre and the automobile industries. The size of the Indian tyre valve business is estimated at approximately Rs.275 crore in the organized sector in the period 2013-14. Exports do not constitute a significant proportion of this turnover. Four manufacturers contribute over 90% of the total production and sales.

At a macro-economic level, the Financial Year 2013-14 saw the Indian economy weakening further with the GDP growth rate slowing to an estimated 4.6%. The year was one of the toughest years for the automobile industry in the last decade. High interest rates and continuous increases in fuel prices diminished growth across all segments. Although there was an expectation from the automobile industry of a policy stimulus, the Government was unable to effect any significant policy initiatives to stimulate growth. Overall production of automobiles of all categories in India grew by 5% over the previous year. Domestic Passenger car sales fell by approximately 6% during the year while sales of two wheelers grew by 7%. The three wheeler segment recorded a decline in sales by 11%. The Commercial Vehicle segment recorded negative growth of a staggering 20%. The only segment that performed well during the year was the farm segment which recorded an estimated growth of 22% over the previous year. This was due to the adequate and timely monsoon precipitation during the year which boosted agricultural output.

The Rs. 45,000 crore Indian tyre industry is estimated to have grown at approx 1-3% in revenue and 2-4% in volumes during Financial Year 2014. Tube production is also estimated to have recorded very marginal growth or a reduction in almost all categories except for the motorcycle segment. The industry as a whole experienced a year of stagnation and under-utilization of capacities as a result of the poor market conditions.

### Opportunities and Threats

Although the general economic environment is not conducive for strong growth, your Company has a competitive advantage in the market due to its superior technology, large installed capacities in all product categories, high quality products, competitive pricing and approvals from almost every tyre and vehicle manufacturer in the country. Your Company holds the market leadership position in every segment that it operates in, from two and three wheelers to passenger cars, trucks & buses and Off-the-Road vehicles. These strengths can be leveraged to further widen the customer base, increase the product offerings and improve the Company's overall performance.

The market scenario in India is likely to continue to be subdued in the first half of FY 2015. Under these circumstances, payments from some customers can tend to be delayed. This can adversely affect cash-flows and can put an additional interest burden on the Company due to increased utilization of working capital. The primary raw materials used in manufacturing valves are highly volatile commodities, namely brass which is an alloy of copper and zinc and synthetic rubber. Continued volatility in the prices of these commodities can pose a threat to profitability. The Company is also a net importer; hence volatility in currency rates also poses a threat to profitability. Competition in the tyre valve industry is also likely to intensify with domestic competitors adding capacities and new products while low priced imports from China are also a potential threat.

### 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) 2013-2014	(Rs. crore) 2012-2013
Overall Sales	160.60	144.47
Domestic Sales	141.80	138.46
Export Sales	18.80	6.01

## Outlook

The overall outlook for the Financial Year 2014-15 is positive. Analysts and industry watchers expect the automobile industry to grow by 8-10% during the year ahead. The Company expects to grow at a rate higher than that of the industry and has developed plans to achieve the same. The Company also expects to improve its operating profits by improving operating efficiencies and aggressive cost cutting.

## Risks and Concerns

The operations of the Company relate to the manufacture and sale of automotive tyre valves, cores and accessories which constitute only one major business segment. From the risk perspective, this can be viewed as one of the strategic risk factors since the Company does not currently possess a diversified set of products and customers beyond the automobile and tyre industries. Operationally, the Company has only one manufacturing location at Mysore and exposure to only one geographical region. Exports do not contribute significantly to the turnover of the Company. The Board of Directors has been apprised of the strategic and operational risks identified by the Company and the initiatives taken to mitigate them.

## 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 2013-14 are as under:

	(Rs. crore)
Net Sales	160.60
Other Income	0.08
Profit before tax	3.91

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2014 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 nurturing talent and developing the requisite skills needed to keep pace with the ever-changing needs of the market. Training is imparted to employees at all levels and covers both technical and behavioral aspects.

The Industrial Relations scenario during the year under review was smooth. The Company has an excellent track record in this regard and has maintained cordial relationships with all its employees.

The Company has signed a Long Term Agreement (LTA) with the union for a four year period ending 30th September 2014. The employees and the recognized union continue to play a positive and constructive role in the growth and development of the Company.

### **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 2013-14

### 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 4 Directors out of which one is Executive, one is Non Executive (woman) and two are Independent Directors. The Chairman of the Board is Non-executive.
- ii. The Board of Directors met four times during the year on 29th May 2013, 31st July 2013, 25th October 2013 and 31st January 2014.
- 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 Directorships in other Indian Companies
Mr. Aditya M. Gokarn	Managing Director	4	Yes	Nil
Mrs. Anuradha M. Gokarn	Non-executive Director	4	Yes	Nil
Dr. B.R.Pai	Non-executive Independent Director	4	Yes	1
Mr.S.K.Welling	Non-executive Independent Director	4	Yes	3

### Audit Committee

- i. The Audit Committee consists of three members two of which are Independent Directors and one Non-Executive Director (woman). The Chairman of the Committee is an Independent Director. The Managing 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 committee members and their attendance is as under.

Name	Category	No. of Meetings held	No. of Meetings attended
Dr.B.R.Pai	Independent	4	4
Mr.S.K.Welling	Independent	4	4
Mrs Anuradha M. Gokarn	Non-Executive	4	1

#### Remuneration Committee:

The Remuneration Committee reviews and recommends to the Board the appointment of and remuneration payable to Managerial persons.

#### Remuneration to Non- Executive Directors.

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 15<sup>th</sup> July 2011.

The Remuneration Committee consists of 3 members out of which two are Independent Directors and one is Non Executive Director (Woman).

#### Remuneration paid to Directors during 2013-14

Name of Director	Sitting Fees	Salaries & Perquisites	Commission
Mrs. Anuradha M. Gokarn	80,000		153, 112
Dr.B.R.Pai	80,000		153, 112
Mr.Aditya M. Gokarn		57,38,043*	
Mr.S.K.Welling	80,000		153, 112

\*Does not include contribution to PF and Gratuity which are as per the rules of the Company

#### Details of Annual/Extraordinary General Meetings

Location and time of General Meetings held since 2011

Year	AGM/EGM	Location	Date	Time
2011	AGM	Hotel Ajantha, 22-A, MG Road, Bangalore-560001	15.07.2011	04.30 PM
2012	AGM	Hotel Ajantha, 22-A, MG Road, Bangalore-560001	25.07.2012	04.30 PM
2013	AGM	Hotel Ramada, 11, Park Road, Bangalore - 560051.	22.07.2013	03.30 PM

#### Disclosures:

(i) Significant related party transactions:

The Company has entered into contract for purchase of goods of aggregate value of Rs.34.68 lakhs with M/s Suvardhan a partnership firm in which Mrs. Anuradha M.Gokarn, Non-executive Director and Mr. Aditya M.Gokarn, Managing 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 other 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](http://www.tritonvalves.com) and on the Bombay Stock Exchange [www.bseindia.com](http://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	4.00 PM on 14th August 2014
2	Venue of AGM	The Gateway Hotel, Residency Road, Bangalore-560025
3	Dates of Book closure	5th August 2014 to 14th August 2014
4	Financial Year	1st April to 31st March each year
5	Dividend Payment Date	On or before 13th September 2014
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 - 13	350.00	274.10	19622.68	18144.22
May - 13	350.00	280.00	20443.62	19451.26
June - 13	347.75	276.00	19860.19	18467.16
July - 13	320.80	255.00	20351.06	19126.82
Aug - 13	320.00	241.20	19569.20	17448.71
Sept - 13	309.85	280.25	20739.69	18166.17
Oct - 13	302.40	271.00	21205.44	19264.72
Nov - 13	305.00	280.00	21321.53	20137.67
Dec - 13	340.00	277.25	21483.74	20568.70
Jan - 14	408.95	311.25	21409.66	20343.78
Feb - 14	340.00	290.00	21140.51	19963.12
Mar - 14	324.90	281.55	22467.21	20920.98

### 13. Distribution of Shareholding as on 31.03.2014

No. of Equity shares held	No. of Shares	No. of Shareholders	% of Shareholders
1-500	266155	5766	26.88
501-1000	46916	64	4.74
1001-5000	83528	43	8.44
5001-10000	50524	7	5.10
10001 & above	542904	8	54.84

### 14. Shareholding Pattern as on 31.03.2014

Category	No. of Shares held	% of Shareholding
<b>Promoters' Holding:</b>		
- Indian Promoters	500004	50.51
- Foreign Promoters	Nil	
Persons Acting in Concert	Nil	
Sub- total	500004	50.51
<b>Non Promoter Holding:</b>		
- Mutual Funds	Nil	
- Banks, financial Institutions, Insurance companies	Nil	
Sub-Total	Nil	
<b>Others:</b>		
Private Corporate Bodies	29901	3.02
Indian Public	456909	46.14
NRIs/OCBs	3213	0.33
Sub-Total	490023	49.49
<b>Grand Total</b>	<b>990027</b>	<b>100.00</b>

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 2014, 937,833 Shares (94.73 %) are held in demat form and 52,194 Shares (5.27 %) in physical form.

### 15. 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. Twenty five Dividend warrants and seventy three dividend intimation letters were returned undelivered. There were 19 investor grievances during the year and all have been addressed and closed.

### **Certificate on Compliance with Code of Conduct**

I hereby confirm that the Company has obtained from all the Members of the Board and Management personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors/ Management personnel for the Financial year 2013-2014.

(Aditya M. Gokarn)  
Managing Director  
Bangalore

May 29th 2014.

### **CEO/CFO Certificate under Clause 49 ( V)**

To,  
The Board of Directors,  
Triton Valves Limited

1. We have reviewed the financial statements and the cash flow statement of Triton Valves Limited for the year ended 31st March, 2014 and to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control system pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and Audit Committee:
  - i) that there are no significant changes in internal control over financial reporting during the year;
  - ii) that there are no significant changes in accounting policies during the year; and
  - iii) that there are no instances of significant fraud of which we have become aware.

(V. Sridhar)  
Vice President - Finance

(Aditya M. Gokarn)  
Managing Director

Bangalore  
May 29, 2014



## 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 2014, 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 2014, 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 Brahmayya & Co.,**  
Chartered Accountants  
Firm's Registration No.000515S

Place : Bangalore  
Date: 30<sup>th</sup> May, 2014

**G. Srinivas**  
Partner  
Membership No.086761

## 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, 2014**. 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 4 (four) times on 29.05.2013, 31.07.2013, 25.10.2013 & 31.01.2014 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 03.07.2013 to 12.07.2013 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2013 was held on 12.07.2013 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 per information furnished 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 issued during the Financial Year.
13. The Company has:
  - i. No allotment/transfer/transmission of Securities in physical form during the Financial year.
  - ii. Deposited the amount of dividend declared in a separate Bank Account on 16.07.2013 which is within five days from the date of declaration of such dividend.
  - iii. 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 22<sup>nd</sup> August 2013.
  - iv. 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
  - v. 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 an appointment of Alternate Director to fill casual vacancy 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 has made application to the Central Government seeking approval pursuant to Sections u/s 269, 198, 309, etc. in respect of appointment of Mr. Aditya M Gokarn as Managing Director of the Company for a period of 5 years w.e.f. 31.01.2013 and the same is pending with the Authorities.

Except as above, the Company was not required to obtain any other approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other Authorities as 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 31.03.2014 are within the borrowing limits of the Company sanctioned by necessary Resolutions passed as per Sec. 293 (1) (d) of the Act in the 34<sup>th</sup> 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: 30.05.2014

S.Kedarnath,  
S.Kedarnath & Associates  
Company Secretaries  
C.P.No. 4422

## **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 31<sup>st</sup> March, 2014 (as per the copies of returns made available by the company).

Sl. No	Form No/ Return - Filed for	Filed u/s	SRN / DOC ID Number	Date of Filing
1.	Form 8	125/127	B72596372	12/04/2013
2.	Form 8	125/127	B80607583	31.07.2013
3.	Form 23C	233B	S23858822	18.10.2013
4.	Form 23C	233B	S24505182	23.10.2013
5.	Form 66	383A	Q12598009	08.10.2013
6.	Form 20B	159	Q24089724	20.11.2013
7.	Form 23AC XBRL & 23ACA XBRL	220	S24505182	23.10.2013
8.	Form PLXBR	220	Q21938659	31.10.2013
9.	Form 5 INV	205A	S27638881	12.11.2013
10.	Form 1 INV	205A	B86480159	10.10.2013
11.	Form 1 INV	205A	S29244126	06.02.2014
12.	Form 32	303(2)	B89517957	20.11.2013
13.	Form 23	269	B89528319	20.11.2013
14.	Form 23B	224	S27580778	11.11.2013

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Triton Valves Limited Report on the Financial Statements

1. We have audited the accompanying financial statements of Triton Valves Limited ('the Company') which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ('the Act') read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - (b) in the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

7. 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of 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 the Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs; and
  - (e) On the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, None of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Place : Bengaluru  
Date : May 30, 2014

**For Brahmaya & Co.,**  
Chartered Accountants ICAI  
Firm's Registration No. 000515S

**G. Srinivas**  
Partner  
Membership No.086761

## Annexure to the Independent Auditors' report

Referred to in paragraph 7 of our report of even date to the Members of Triton Valves Limited ('the Company') for the year ended March 31, 2014

- i) (a) As per the information and explanation provided to us the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) During the year, the Company has not disposed off its substantial part of fixed assets.
- 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 granted any loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 301 of the Act. Accordingly, clauses (iii)(b) to (iii)(d) of paragraph 4 of the order are not applicable to the Company.
- (b) The Company has taken loans from Companies, Firms or other parties listed in the Register maintained under Section 301 of the Act and the terms at which the loans were taken are prima facie not prejudicial to the interest of the Company. No stipulations for repayment have been prescribed and as such no comments regarding regularity of payments are being made:

### Details of Unsecured Loans taken from Parties Listed in the Register Maintained U/s 301:

Sl. No.	Name of the Party	Loan Accepted during the year	Maximum amount outstanding during the year	Balance as at 31st March , 2014
1	Aditya M Gokarn	10,00,000	10,00,000	10,00,000
2	Anuradha M Gokarn	60,00,000	3,10,00,000	3,10,00,000

- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. Further, on the basis of our examination, and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weakness in the aforesaid internal control systems.
- v) (a) Based on the 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 Act, have been so entered.



- vi) 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 Act, 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.
- vii) (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 Act, 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 Act, 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.
- viii) According to the information and explanations given to us, the Company has not accepted any deposits from the public; as such the provisions of sections 58A and 58AA of the Act, 1956 and the rules framed there under.
- ix) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- x) 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 Act, 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.
- xi) (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally 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, Custom Duty, Excise Duty, Cess and other statutory dues to the extent applicable to it. There are no arrears of outstanding statutory dues as at March 31, 2014 for a period of more than six months from the date they become payable.
- (b) According to the records of the Company and information and explanations given to us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Cess which have not been deposited on account of dispute except the following:

Name of the Statute	Nature of the dues	Amount in (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income-tax	23,27,115/-	2010-11	Commissioner of Income Tax - Appeals (III)

- xii) The Company does not have accumulated losses as at March 31, 2014 and has not incurred any cash losses during the financial year covered by our Audit or in the immediately preceding financial year.
- xiii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has no dues to Financial Institutions at the balance sheet date and the Company has not issued any Debentures.

- xiv) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause (xii) of Paragraph 4 of the Order is not applicable to the Company.
- xv) In our opinion, the Company is not a Chit Fund / Nidhi / Mutual Benefit Fund / Society. Accordingly Clause (xiii) of Paragraph 4 of the Order is not applicable to the Company.
- xvi) In our opinion and according to explanations given to us, the Company is not a dealer or a trader in Securities. Accordingly Clause (xiv) of the Paragraph 4 of the Order is not applicable to the Company.
- xvii) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly Clause (xv) of Paragraph 4 of the Order is not applicable to the Company.
- xviii) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- xix) Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that fund raised on short-term basis have prima facie not been used during the year for long-term investment.
- xx) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act, during the year. Accordingly clause (xviii) of the paragraph 4 of the order is not applicable.
- xxi) The Company has not issued debentures during the year. Accordingly Clause (xix) of Paragraph 4 of the Order is not applicable to the Company.
- xxii) During the year the Company has not raised any money by Public issue during the period. Accordingly clause (xx) of the paragraph 4 of the order is not applicable
- xxiii) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during course of our audit.

**For Brahmaya & Co.,**  
Chartered Accountants ICAI Firm's  
Registration No.000515S

Place : Bengaluru  
Date : May 30, 2014

**G. Srinivas**  
Partner  
Membership No.086761

## BALANCE SHEET AS AT 31ST MARCH 2014

		(Amount in Rupees)	
	Notes	As at 31st March, 2014	As at 31st March, 2013
<b>I. Equity and Liabilities</b>			
(1) Shareholders' funds			
	(a) Share capital	9,900,270	9,900,270
	(b) Reserves and surplus	470,084,828	450,218,504
		<u>479,985,098</u>	<u>460,118,774</u>
(2) Non-current liabilities			
	(a) Long-term borrowings	100,074,251	174,697,143
	(b) Deferred tax liability (net)	42,954,811	45,163,338
	(c) Other long-term liabilities	195,000	195,000
	(d) Long-term provisions	-	-
		<u>143,224,062</u>	<u>220,055,481</u>
(3) Current liabilities			
	(a) Short-term borrowings	399,444,657	400,926,327
	(b) Trade Payables	130,919,646	141,380,006
	(c) Other current liabilities	105,983,755	109,331,262
	(d) Short-term provisions	28,648,939	20,864,863
		<u>664,996,997</u>	<u>672,502,458</u>
	<b>TOTAL</b>	<u><u>1,288,206,156</u></u>	<u><u>1,352,676,713</u></u>
<b>II. Assets</b>			
(1) Non-current assets			
	(a) Fixed assets		
	(i) Tangible assets	641,686,990	696,482,157
	(ii) Intangible assets	1,294,535	333,108
	(iii) Capital work-in-progress	8,808,830	8,121,543
	(b) Non-current investments	73,012	73,041
	(c) Long-term loans and advances	13,140,865	19,675,887
	(d) Long-term Trade receivables	-	-
		<u>665,004,232</u>	<u>724,685,737</u>
(2) Current assets			
	(a) Inventories	248,541,721	303,210,122
	(b) Trade receivables	351,362,514	301,776,352
	(c) Cash and Bank Balances	916,410	5,924,709
	(d) Short-term loans and advances	22,381,279	17,077,116
	(e) Other current assets	-	2,677
		<u>623,201,924</u>	<u>627,990,976</u>
	<b>TOTAL</b>	<u><u>1,288,206,156</u></u>	<u><u>1,352,676,713</u></u>
Summary of significant accounting policies		2	

The accompanying notes from 1 to 36 are an integral part of the Financial Statements.

As per our report of even date

For Brahmaya & Co.,  
Chartered Accountants  
Firm Registration No. 0005155

G.Srinivas  
Partner  
Membership No.86761  
Bangalore  
30th May 2014

For and on behalf of the Board of Directors

S.K.Welling  
Chairman

Aditya M. Gokarn  
Managing Director

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

		(Amount in Rupees)	
	Notes	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
<b>Continuing operations</b>			
<b>I. Income</b>			
(a) Revenue from operations	19	1,605,968,297	1,444,693,295
(b) Other income	20	775,012	5,536,019
<b>Total revenue (i)</b>		<u>1,606,743,309</u>	<u>1,450,229,314</u>
<b>II. Expenses</b>			
(a) Cost of material consumed	21	1,017,937,365	954,793,862
(b) (Increase) / decrease in inventories of finished goods, work-in-progress.	22	37,923,922	(10,115,093)
(c) Employee benefits expense	23	170,675,610	161,330,439
(d) Other expenses	24	197,752,359	180,434,180
<b>Total (ii)</b>		<u>1,424,289,257</u>	<u>1,286,443,388</u>
III. Earnings before interest, tax, depreciation and amortization (EBITDA) [(i) - (ii)]		182,454,052	163,785,926
IV. Depreciation and amortization expense	25	67,928,181	54,859,195
V. Finance costs	26	75,454,237	74,773,933
VI. Profit / (Loss) before tax (III-IV-V)		<u>39,071,634</u>	<u>34,152,798</u>
<b>VII. Tax expenses</b>			
Current tax		12,208,729	6,832,315
Less: MAT Credit		-	(5,162,779)
Deferred tax		(2,208,527)	10,282,106
<b>Total tax expense</b>		<u>10,000,202</u>	<u>11,951,642</u>
VIII. Profit/(loss) for the year (VI-VII)		<u>29,071,433</u>	<u>22,201,156</u>
<b>IX. Earnings per equity share</b> [nominal value of share Rs.10/- (31 March 2013: Rs.10/-)]			
Basic and Diluted		29.36	22.42
Summary of significant accounting policies	2		

The accompanying notes from 1 to 36 are an integral part of the Financial Statements.

As per our report of even date

For Brahmaya & Co.,  
Chartered Accountants  
Firm Registration No. 0005155

G.Srinivas  
Partner  
Membership No.86761  
Bangalore  
30th May 2014

For and on behalf of the Board of Directors

S.K.Welling  
Chairman

Aditya M. Gokarn  
Managing Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
<b>Cash flow from operating activities</b>		
Profit before tax	39,071,634	34,152,798
Share of profit from investment in partnership firm	-	-
Depreciation/ amortization on continuing operation	67,928,181	54,859,195
Interest Income	(371,097)	(617,159)
Dividend income	(12,439)	(4,453)
Loss/ (profit) on sale of fixed assets	427,559	472,422
Provision no longer required, written back	-	(67,764)
Finance costs	75,454,237	74,773,934
<b>Operating profit before working capital changes</b>	<b>182,498,075</b>	<b>163,568,972</b>
Movements in working capital :		
Increase/ (decrease) in trade payables	(10,460,360)	(17,935,983)
Increase/ (decrease) in other long term liabilities	-	15,000
Increase/ (decrease) in other current liabilities	(4,935,117)	(9,045,952)
Decrease/ (increase) in trade receivables	(49,586,162)	53,973,905
Decrease / (increase) in inventories	54,668,401	(8,317,341)
Decrease / (increase) long term loans and advances	473,439	1,277,669
Decrease / (increase) short term loans and advances	(6,356,866)	4,377,551
Increase / (decrease) in long term provisions	-	(6,229,881)
Increase / (decrease) in short-term provisions	6,633,437	(5,192,492)
Cash generated from / (used in) operations	<b>172,934,848</b>	<b>176,491,448</b>
Direct taxes paid (net of refunds)	(6,804,188)	(2,559,749)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>166,130,660</b>	<b>173,931,699</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(13,868,546)	(57,577,469)
Proceeds from sale of fixed assets	369,001	3,553,949
Proceeds from sale of CWIP	-	505,238
Interest received	371,097	617,159
Dividends received	12,439	4,453
Decrease / (increase) in Margin Money Deposit	4,070,743	(70,743)
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(9,045,266)</b>	<b>(52,967,413)</b>
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	37,813,399	29,800,000
Repayment of long-term borrowings	(117,848,681)	(87,300,233)
Proceeds from short-term borrowings	(1,481,670)	15,394,645

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Proceeds from Long term borrowings(Loan from related Party)	7,000,000	5,000,000
Proceeds from Short term borrowings(Loan from related Party)	-	-
Interest paid	(75,454,237)	(74,773,933)
Dividends paid on equity shares	(6,930,189)	(6,930,189)
Tax on equity dividend paid	(1,124,249)	(1,124,249)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b><u>(158,025,627)</u></b>	<b><u>(119,933,958)</u></b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(940,233)	1,030,327
Cash and cash equivalents at the beginning of the year	1,856,643	826,316
Cash and cash equivalents at the end of the year	<b><u>916,410</u></b>	<b><u>1,856,643</u></b>
<b>Components of Cash and Cash Equivalents</b>		
Cash on hand	72,677	68,555
Cheques/ drafts on hand	62,530	62,178
With banks- on current account	137,862	1,033,764
- Accrued Interest	-	2,677
- unpaid dividend accounts	643,341	689,469
<b>Total cash and cash equivalents</b>	<b><u>916,410</u></b>	<b><u>1,856,643</u></b>
Summary of significant accounting policies	<b>18**</b>	

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For Brahmaya & Co.,**  
Firm registration number: 000515S  
Chartered Accountants

**For and on behalf of the Board of Directors**

G. Srinivas  
Membership no.: 086761

S.K.Weelling  
Chairman

Aditya M.Gokarn  
Managing Director

Place:Bengaluru  
Date: 30th May 2014

## 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. Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted principles in India 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. These financial statements have been prepared to comply in all material respects with applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3C) of the companies Act, 1956. Pursuant to Circular 15/ 2013 dated 13th September, 2013 read with circular 08/ 2014 dated 4th April, 2014, till the standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

#### b. Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, the useful lives of depreciable fixed assets and provisions for impairment etc. Future results could differ due to changes in these estimates and the difference between the actual results and the estimates are recognised in the period in which the results are known/materialize.

#### c. 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 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 us
- (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.

#### d. Intangible Fixed Assets and Amortization

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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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### e. 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 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.

### f. 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. Current Investments are stated at the lower of cost and fair value.

### g. 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.

### h. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### i. 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.

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

### j. 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.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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### k. 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.

### l. Retirement Benefits

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

### m. 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.

### n. 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.

### o. Leases

#### Where the Company is lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

#### Where the Company is lessor:

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets given under operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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### p. 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.

### q. 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. Accordingly, the amounts appearing in the financial statements relate to the company's single business segment.

### r. 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.

### s. 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 31st March, 2014	As at 31st March, 2013
<b>3. SHARE CAPITAL</b>		
(a) Authorized Shares (Nos.) 50,00,000 (March 31, 2013: 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, 2013: 9,90,027) Equity Shares of Rs.10 each Fully Paid up	9,900,270	9,900,270
<b>Total issued, subscribed and fully paid-up share capital</b>	<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, 2014		As at 31st March, 2013	
	Nos.	Amount	Nos.	Amount
<b>Equity Shares</b>				
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 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, 2014		As at 31st March, 2013	
	Nos.	% Holding	Nos.	% Holding
Equity Shares of Rs.10/- each fully paid Anuradha Maruti Gokarn	280,041	28.29%	280,041	28.29%
Nirmala Shridharmurthy Nagarkatte	112,506	11.36%	112,506	11.36%
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	-
	<b>670,018</b>	<b>15,040,000</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(Amount in Rupees)	
	As at 31st March 2014	As at 31st March 2013
<b>4. RESERVES AND SURPLUS</b>		
<b>Securities premium account</b>		
Balance as per the last financial statements	14,940,000	14,940,000
Add: received during the year on issue of equity shares	-	-
<b>Closing balance</b>	<u>14,940,000</u>	<u>14,940,000</u>
<b>GENERAL RESERVE</b>		
Balance as per the last financial statements	389,961,144	369,961,144
Add: Transfer from the Statement of Profit & Loss	30,000,000	20,000,000
Less: Bonus Issue	-	-
<b>Closing Balance</b>	<u>419,961,144</u>	<u>389,961,144</u>
<b>Surplus/ (Deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	45,317,364	51,170,678
Add: Profit for the year	29,071,433	22,201,156
	<u>74,388,797</u>	<u>73,371,834</u>
<b>Less: Appropriations</b>		
Proposed Dividend	7,920,216	6,930,189
Tax on dividend	1,284,897	1,124,285
General Reserve	30,000,000	20,000,000
<b>Total appropriations</b>	<u>39,205,113</u>	<u>28,054,474</u>
<b>Net Surplus / (Deficit) in the Statement of Profit and Loss</b>	<u>35,183,684</u>	<u>45,317,360</u>
<b>Total Reserves and Surplus</b>	<u>470,084,828</u>	<u>450,218,504</u>

	Non-current portion		Current maturities	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
<b>5. LONG-TERM BORROWINGS</b>				
<b>From Banks</b>				
Indian Rupee loans	46,840,914	56,147,709	47,120,194	24,421,532
Foreign currency loans	21,233,337	93,549,434	36,399,996	57,511,048
<b>From Others</b>				
Loan from Directors	32,000,000	25,000,000	-	-
	<u>100,074,251</u>	<u>174,697,143</u>	<u>83,520,190</u>	<u>81,932,580</u>
<b>The above amount includes</b>				
Secured borrowings	68,074,251	149,697,143	83,520,190	81,932,580
Unsecured borrowings	32,000,000	25,000,000	-	-
Amount disclosed under the head "other current liabilities" (note 11)	-	-	(83,520,190)	(81,932,580)
<b>Net amount</b>	<u>100,074,251</u>	<u>174,697,143</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 minus 2.65 p.a. and repayable in 50 equated monthly instalments beginning from June, 2013.

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

ECB Term Loan from Standard Chartered Bank carrying interest rate @ 9.75% p.a. (Fully hedged) and repayable in 48 equated monthly instalments beginning from November, 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 and Hebbal Industrial Estate, Mysore, Company's Registered Office and Company Flat at Bangalore,
- (b) by way of First pari passu charge, on Equitable mortgage of Land and Building at Belavadi Industrial Area and Hebbal Industrial Area, Mysore, Company's Registered Office and Company Flat 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 Managing Director.

### iv. Loan from Directors carries an Interest @ 11.40% and the Loan is repayable after 31st March, 2015

*(Amount in Rupees)*

	As at 31st March 2014	As at 31st March 2013
<b>6. DEFERRED TAX LIABILITY</b>		
<b>Deferred Tax Liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	48,023,809	46,812,675
<b>Gross deferred tax liability</b>	<u>48,023,809</u>	<u>46,812,675</u>
<b>Deferred tax Asset</b>		
Employee Benefits	5,068,998	1,649,337
Others	-	-
<b>Gross deferred tax asset</b>	<u>5,068,998</u>	<u>1,649,337</u>
<b>Net Deferred Tax Liability</b>	<u>42,954,811</u>	<u>45,163,338</u>
<b>7. OTHER LONG-TERM LIABILITIES</b>		
Dealer Deposits(Interest Free)	45,000	45,000
Others	150,000	150,000
	<u>195,000</u>	<u>195,000</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rupees)

	Non-current		Current	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
<b>8. PROVISIONS</b>				
<b>Provision for Employee benefits</b>				
Provision for gratuity	-	-	11,827,785	4,834,820
Provision for leave benefits	-	-	1,789,982	21,278
Provision for other employee benefits	-	-	4,830,613	7,954,291
	<u>-</u>	<u>-</u>	<u>18,448,380</u>	<u>12,810,389</u>
<b>Other Provision</b>				
Provision for equity dividend	-	-	7,920,216	6,930,189
Provision for tax on proposed equity dividend	-	-	1,284,897	1,124,285
Provision for tax(net off Advance tax and MAT credit)	-	-	995,446	-
	<u>-</u>	<u>-</u>	<u>10,200,559</u>	<u>8,054,474</u>
	<u>-</u>	<u>-</u>	<u>28,648,939</u>	<u>20,864,863</u>
			<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
<b>9. SHORT-TERM BORROWINGS</b>				
(i) Cash credit from banks			399,444,657	400,926,327
(ii) Loans from Directors			-	-
<b>The above amount includes</b>			<u>399,444,657</u>	<u>400,926,327</u>
Secured borrowings			399,444,657	400,926,327
Unsecured borrowings			-	-

Cash credit from banks carry interest rate @ 11.5% - 15.75 % p.a. and are repayable on Demand

(I) Cash credit from banks are secured:

- (a) by way of first 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,
- (b) by way of Second paripassu charge, on hypothecation of all the plant and machinery at the company's existing plant at Belavadi Industrial Area, Hebbal Industrial Area, Mysore and Company's registered Office and Company Flat at Bangalore,
- (c) by way of Second paripassu charge, on Equitable mortgage of Land and Building at Belavadi Industrial Area and Hebbal Industrial Area, Mysore, Company's registered Office and Company Flat at Bangalore.
- (d) further secured by personal guarantee of the Managing Director.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rupees)

	As at 31st 31st March 2014	As at 31st 31st March 2013
<b>10. TRADE PAYABLES</b>		
Trade payable		
- dues to enterprises covered under MSMED Act, 2006 (refer Note No.28)	-	-
- Others	<u>130,919,646</u>	<u>141,380,006</u>
	<u>130,919,646</u>	<u>141,380,006</u>
<b>11. OTHER LIABILITIES</b>		
Current maturities of long-term borrowings (note 5)	83,520,190	81,932,580
Unpaid dividend	637,507	588,272
Others		
Advance from Customers*	-	2,000,254
Capital Creditors	2,230,611	7,351,646
Discount Payable	1,127,903	1,262,768
Statutory dues	7,043,030	4,885,874
Others	<u>11,424,514</u>	<u>11,309,868</u>
	<u>105,983,755</u>	<u>109,331,262</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 12. TANGIBLE ASSETS

	Tangible Assets							12(a) (Amount In Rupees)		
	Land	Buildings	Plant and Machinery	Computer Equipments	Office Equipments	Vehicles	Furniture & Fixtures	TOTAL	Intangible Assests	Total
Cost or valuation										
At April 1, 2012	15,037,330	248,764,595	5 69,061,254	11,930,209	4,048,486	7,202,837	16,714,069	872,758,780	555,180	555,180
Additions	-	42,035,849	107,014,101	320,457	240,486	1,560,276	828,873	152,000,043	-	-
Disposals	-	-	5,520,333	-	-	4,664,728	-	10,185,061	-	-
AS - 11 adjustments	-	-	-	-	-	-	-	-	-	-
Borrowing cost adjustments	-	2,607,335	6,362,076	-	-	-	-	8,969,411	-	-
<b>At March 31, 2013</b>	<b>15,037,330</b>	<b>293,407,779</b>	<b>676,917,098</b>	<b>12,250,666</b>	<b>4,288,972</b>	<b>4,098,385</b>	<b>17,542,942</b>	<b>1,023,543,172</b>	<b>555,180</b>	<b>555,180</b>
Additions	-	4,880,042	7,584,404	366,487	184,040	619,191	15,037	13,649,201	1,241,799	1,241,799
Disposals	-	-	2,076,862	-	7,500	-	-	2,084,362	-	-
Borrowing cost adjustments	-	-	-	-	-	-	-	-	-	-
<b>At March 31, 2014</b>	<b>15,037,330</b>	<b>298,287,821</b>	<b>682,424,640</b>	<b>12,617,153</b>	<b>4,465,512</b>	<b>4,717,576</b>	<b>17,557,979</b>	<b>1,035,108,011</b>	<b>1,796,979</b>	<b>1,796,979</b>
Depreciation										
At April 1, 2012		25667,674	231,756,231	11,520,233	946,438	3,497,011	5,815,956	279,203,543	111,036	111,036
Charge for the year	-	8,509,314	46,072,319	1,038,005	266,323	497,919	1,053,955	57,437,835	111,036	111,036
Adjustments*	-	-	-	2,689,676	-	-	-	2,689,676	-	-
Disposals	-	-	5,191,534	-	-	1,699,153	-	6,890,687	-	-
<b>At March 31, 2013</b>	<b>-</b>	<b>34,176,988</b>	<b>272,637,016</b>	<b>9,868,562</b>	<b>1,212,761</b>	<b>2,295,777</b>	<b>6,869,911</b>	<b>327,061,015</b>	<b>222,072</b>	<b>222,072</b>
Charge for the year	-	9,647,083	55,328,053	981,335	239,415	389,303	1,062,619	67,647,808	280,372	280,372
Adjustments*	-	-	-	-	-	-	-	0	-	-
Disposals	-	-	1,280,302	-	7,500	-	-	1,287,801.89	-	-
<b>At March 31, 2014</b>	<b>-</b>	<b>43,824,072</b>	<b>326,684,767</b>	<b>10,849,897</b>	<b>1,444,676</b>	<b>2,685,080</b>	<b>7,932,531</b>	<b>393,421,021</b>	<b>502,444</b>	<b>502,444</b>
<b>Net Block</b>										
At March 31, 2013	15,037,330	259,230,791	404,280,082	2,382,104	3,076,211	1,802,608	10,673,030	696,482,157	333,108	333,108
At March 31, 2014	15,037,330	254,463,750	355,739,873	1,767,256	3,020,836	2,032,496	9,625,448	641,686,990	1,294,535	1,294,535

	As at March 31, 2013			As at March 31, 2014		
	As at March 31, 2013	Additions	Deletions	Capitalisation	Deletions	As at March 31, 2014
Work-in-progress	8,121,543	13,224,065	-	12,536,778	-	8,808,830
	8,121,543	13,224,065	-	12,536,778	-	8,808,830



## 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 31st March 2014	Number of Shares as at 31st March 2013	Face Value	As at 31st March 2014	As at 31st March 2013
<b>Investment in Equity instruments (traded - quoted)</b>					
Apollo Tyres Ltd	500	500	Rs.1/-each	2,762	2,762
T.V.S. Srichakra Tyre Ltd	100	100	Rs.10/-each	1,975	1,975
MRF Ltd	50	50	Rs.10/-each	12,850	12,850
J.K.Tyre & Industries Ltd	60	60	Rs.10/-each	4,504	4,504
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
Modi Rubber Ltd	50	50	Rs.10/-each	2,800	2,800
ICICI Bank Ltd	408	408	Rs.10/-each	22,200	22,200
<b>Investment in Equity instruments (traded - unquoted)</b>					
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
<b>Investment in Equity instruments (non-trade - quoted)</b>					
Bengal & Assam Company Ltd.	4	4	Rs.10/-each	106	106
J.K.Agri Genetics Limited	5	5	Rs.10/-each	332	332
J.K.Sugar Ltd.	0	7	Rs.10/-each	-	464
Summit Securities Limited	2	2	Rs.10/-each	120	120
Dhampur Sugar Mills limited	1			435	-
				<u>73,012</u>	<u>73,041</u>

(Aggregate Market value of quoted equity shares is Rs.18,22,475/- Previous year Rs.11,53,706/-)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 15. LOANS AND ADVANCES

(Amount in Rupees)

	Non-current		Current	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
<b>Capital Advances</b>				
Unsecured, considered good	145,750	1,855,491	-	-
(A)	<u>145,750</u>	<u>1,855,491</u>	<u>-</u>	<u>-</u>
<b>Security Deposit</b>				
Unsecured, considered good	5,401,624	5,331,654	3,888,282	3,441,885
(B)	<u>5,401,624</u>	<u>5,331,654</u>	<u>3,888,282</u>	<u>3,441,885</u>
<b>Other Loans and Advances</b>				
Advance Income-tax (net of provision for taxation)	-	-	-	2,048,146
MAT credit entitlement	6,870,384	11,222,226	4,351,842	-
Advances to Suppliers	-	-	4,494,254	841,680
Prepaid expenses	-	-	2,370,733	2,144,639
Loans to employees	723,107	1,266,516	703,013	549,498
Balances with Statutory / Government authorities	-	-	6,508,141	5,885,868
Others	-	-	65,014	2,165,400
(C)	<u>7,593,491</u>	<u>12,488,742</u>	<u>18,492,997</u>	<u>13,635,231</u>
<b>Total (A+B+C)</b>	<u>13,140,865</u>	<u>19,675,887</u>	<u>22,381,279</u>	<u>17,077,116</u>

### 16. TRADE RECEIVABLES AND OTHER ASSETS

	Non-current		Current	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
<b>16.1 Trade Receivable</b>				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	16,891,000	24,244,276
Doubtful	-	-	16,891,000	24,244,276
Provision for doubtful trade receivables	-	-	-	-
(A)	<u>-</u>	<u>-</u>	<u>16,891,000</u>	<u>24,244,276</u>
<b>Other Receivables</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	334,471,514	277,532,076
Doubtful	-	-	-	-
Provision for doubtful trade receivables	-	-	334,471,514	277,532,076
(B)	<u>-</u>	<u>-</u>	<u>334,471,514</u>	<u>277,532,076</u>
<b>Total (A+B)</b>	<u>-</u>	<u>-</u>	<u>351,362,514</u>	<u>301,776,352</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16.2 Other Assets	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
<b>Others</b>				
Interest accrued on fixed deposits	-	-	-	2,677
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,677</u>
<i>(Amount in Rupees)</i>				
<b>17. INVENTORIES (valued at lower of cost and net realizable value)</b>		<b>As at 31st March 2014</b>		<b>As at 31st March 2013</b>
<b>(i) Inventories:</b>				
Raw materials and components		98,445,626		115,220,198
Goods-In-Transit		-		-
Work-in-progress		72,677,969		112,554,276
Finished goods		34,213,118		32,260,733
Packing Materials		1,299,211		745,430
Stores and spares		30,704,117		38,999,125
Loose Tools		11,201,681		3,430,360
		<u>248,541,721</u>		<u>303,210,122</u>
<b>18. CASH AND BANK BALANCES</b>				<i>(Amount in Rupees)</i>
			<b>Current</b>	
			<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
<b>i. Cash and Cash Equivalents</b>				
Cash on hand			72,677	68,555
Cheques/ Drafts on Hand			<u>62,530</u>	<u>62,178</u>
<b>ii. Balance with other Balances</b>				
On current accounts			137,862	1,033,764
			<u>273,069</u>	<u>1,164,497</u>
<b>iii. Other Bank balances</b>				
On Unpaid Dividend Account			643,341	689,469
Margin Money Deposit*			-	4,070,743
			<u>643,341</u>	<u>4,760,212</u>
Amount disclosed under non-current assets (note 15.2)			-	-
<b>Total</b>			<u>916,410</u>	<u>5,924,709</u>
		<b>For the year ended 31st March 2014</b>		<b>For the year ended 31st March 2013</b>
<b>19. REVENUE FROM OPERATIONS</b>				
Sale of products		1,622,879,275		1,564,319,258
Other operating Income		161,595,585		61,358,706
		<u>1,784,474,860</u>		<u>1,625,677,964</u>
Less :Excise Duty Paid		178,506,563		180,984,669
<b>Revenue from operations</b>		<u>1,605,968,297</u>		<u>1,444,693,295</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	<i>(Amount in Rupees)</i>	
	As at 31st March 2014	As at 31st March 2013
<b>20. OTHER INCOME</b>		
<b>Interest income on</b>		
Bank deposits	371,097	304,228
Others	0	312,931
Dividend income on Long-term investments	124,39	445,3
Gain on account of foreign exchange fluctuations (net)	0	4,559,399
Creditors written back	0	67,764
Rent Received	277,200	277,200
Other non-operating income	114,276	10,044
	<u>775,012</u>	<u>5,536,019</u>
<b>21. DETAIL OF RAW MATERIAL CONSUMED</b>		
<b>Brass:</b>		
Opening Stock	86,683,456	89,600,457
Add: Purchases during the year	828,727,408	773,851,917
Closing Stock	79,416,274	86,683,456
	<u>835,994,590</u>	<u>776,768,918</u>
<b>Rubber:</b>		
Opening Stock	18,675,952	17,275,975
Add: Purchases during the year	123,459,462	139,847,921
Closing Stock	11,500,824	18,675,952
	<u>130,634,590</u>	<u>138,447,944</u>
<b>Others:</b>		
Opening Stock	9,860,789	7,083,999
Add: Purchases during the year	48,975,924	42,353,790
Closing Stock	7,528,527	9,860,789
	<u>51,308,186</u>	<u>39,577,000</u>
<b>Total Raw material Consumed (A+B+C)</b>	<u>1,017,937,365</u>	<u>954,793,862</u>
<b>22. (INCREASE)/ DECREASE IN INVENTORIES</b>		
Inventories at the end of the year		
Work-in-progress	72,677,969	112,554,276
Finished goods	34,213,118	32,260,733
	<u>106,891,087</u>	<u>144,815,009</u>
Inventories at the beginning of the year		
Work-in-progress	112,554,276	108,428,125
Finished goods	32,260,733	26,271,791
	<u>144,815,009</u>	<u>134,699,916</u>
	<u>37,923,922</u>	<u>(10,115,093)</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	<i>(Amount in Rupees)</i>	
	As at 31st March 2014	As at 31st March 2013
<b>23. EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, wages and bonus	138,387,049	134,301,002
Contribution to provident and other fund	6,528,952	7,160,190
Gratuity, Leave Encashment and Superannuation expenses	12,071,201	2,772,859
Staff welfare expenses	7,950,365	8,679,465
Directors Remuneration-MD	5,738,043	4,787,705
Directors Remuneration-ED	-	3,629,218
	<u>170,675,610</u>	<u>161,330,439</u>
<b>24. Administrative Expenses</b>		
Electricity and water charges	31,231,881	33,428,569
Other manufacturing Expenses	21,143,015	21,295,045
Carriage Inwards	2,793,580	2,287,297
Rent	634,312	499,412
Rates and taxes	908,359	536,509
Insurance	2,126,604	2,055,099
<b>Repairs and Maintenance</b>		
Plant and Machinery	1,520,388	1,486,794
Buildings	938,122	959,736
Others	1,904,299	1,870,886
Foreign Currency fluctuation loss	14,424,818	-
Advertising and sales promotion	3,956,663	1,765,872
Travelling and conveyance	5,220,343	3,342,390
Communication costs	1,091,360	1,119,518
Printing and stationery	2,023,907	1,928,470
Legal and professional fees	6,011,299	6,024,371
Directors' sitting fees	240,000	280,000
Directors' Commission	459,366	341,528
Payment to Auditor (Refer details below)	504,645	457,710
Vehicle Maintenance	514,633	700,411
Watch & Ward	3,072,007	2,836,564
Light & Water	162,503	159,306
Packing & Forwarding	25,819,843	22,196,954
Stores & Spares consumed	69,402,507	73,841,489
Donation	25,000	75,000
Loss on sale of fixed assets (net) (Including CWIP)	427,559	472,422
Miscellaneous expenses	1,195,346	472,828
	<u>197,752,359</u>	<u>180,434,180</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	<i>(Amount in Rupees)</i>	
	As at 31st March 2014	As at 31st March 2013
<b>Payment to Auditors</b>		
As Auditor:		
-Statutory Audit Fee	280,000	275,327
-Taxation Matters	30,000	80,000
-Company Law Matters	-	-
- VAT Audit Fee	136,854	16,854
-Reimbursement of Expenses	57,791	85,529
	<u>504,645</u>	<u>457,710</u>
<b>25. DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation of tangible assets	67,647,808	54,748,159
Amortization of intangible assets	280,372	111,036
	<u>67,928,181</u>	<u>54,859,195</u>
<b>26. FINANCE COSTS</b>		
Interest Expenses	70,881,994	71,630,796
Other Borrowing Costs	4,572,243	3,143,137
	<u>75,454,237</u>	<u>74,773,933</u>
<b>27. CONTINGENT LIABILITIES</b>		
a) Letters of Credit outstanding	153,100,920	93,100,777
b) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	437,250	907,688
c) In respect of Income-tax Matters	2,327,115	2,327,115
d) Bank guarantee	100,000	100,000
<b>28. Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):</b>		
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, 2014. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.		
<b>29. Confirmation letters of balances to Sundry Debtors &amp; Creditors have been sent by the Company and some confirmatory Letters have been received and reconciled.</b>		

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30. The actuarial value of Gratuity liability As at 31st March 2014 is Rs. 27,568,754/- (31st March 2013, Rs. 21,215,068) 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 31st Mar 2014

The following tables sets out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at 31st March, 2014

a) Assumption :

	2013-14	2012-13
Discount Rate	9.12%	8.00%
Salary Escalation	8.00%	5.00%

b) Table Showing changes in present value of Obligation:

Present value of obligation as at beginning of year	21,215,068	20,563,878
Interest Cost	1,776,989	1,645,110
Current Service Cost	5,063,127	1,089,585
Benefits Paid	(3,461,073)	(2,004,890)
Actuarial (gain) / loss on obligation	2,974,643	(78,615)
Present value of obligation as at end of year	27,568,754	21,215,068

c) Table showing changes in the fair value of Plan Assets:

Fair value of plan assets at beginning of year	16,380,248	15,901,954
Expected return on plan assets	1,284,272	1,388,145
Contributions	1,500,000	1,095,039
Benefits Paid	(3,461,073)	(2,004,890)
Actuarial gain / (loss) on Plan assets	37,522	NIL
Fair value of plan assets at the end of year	15,740,969	16,380,248

d) Table showing fair value of Plan Assets :

Fair value of plan assets at beginning of year	16,380,248	15,901,954
Actuarial return of plan assets	1,284,272	1,388,145
Contributions	1,500,000	1,095,039
Benefits Paid	(3,461,073)	(2,004,890)
Fair value of plan assets at the end of year	15,740,969	16,380,248
Funded status	(11,827,785)	(15,290,663)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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) Actuarial Gain / Loss Recognised :**

	2013-14	2012-13
Actuarial (gain) / loss on obligations	(2,974,643)	78,615
Actuarial (gain) / loss the year - plan assets	37,522	Nil
Total (gain) / loss for the year	(2,937,121)	(78,615)
Actuarial (gain) / loss recognised in the year	(2,937,121)	(78,615)

**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	27,568,754	21,215,068
Fair value of plan assets as at the end of the year	15,740,969	16,380,248
Funded status	(11,827,785)	(4,834,820)
Net asset / (liability) recognised in Balance Sheet	(11,827,785)	(4,834,820)

31. The actuarial value of Leave Encashment liability As at 31st March 2014 is Rs. 44,38,209/- (31st March 2013, Rs.29,52,582) as per the workings under AS15 (Revised) issued by the Institute of Chartered Accountants of India

**The Company's Leave Encashment Scheme Report under AS-15 (Revised 2005) for year ended 31st March, 2014**

**1) Assumption :**

	2013-14	2012-13
Discount Rate	9.12%	8.00%
Salary Escalation	8.00%	5.00%

**2) Table Showing changes in present value of Obligation:**

Present value of obligation as at beginning of year	2,952,573	2,677,832
Interest Cost	222,360	214,227
Current Service Cost	1,540,326	181,180
Benefits Paid	(1,028,834)	(389,867)
Actuarial (gain) / loss on obligation	751,784	269,201
Present value of obligation as at end of year	4,438,209	2,952,573



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 3) Table showing changes in the fair value of Plan Assets:

Fair value of plan assets at beginning of year	2,931,295	2,859,012
Expected return on plan assets	213,310	262,616
Contributions	499,000	199,534
Benefits Paid	(1,028,834)	(389,867)
Actuarial gain / (loss) on Plan assets	33,456	
Fair value of plan assets at the end of year	2,648,227	2,931,295

### 4) Table showing fair value of Plan Assets :

Fair value of plan assets at beginning of year	2,931,295	2,859,012
Actuarial return of plan assets	33,456	262,616
Contributions	499,000	199,534
Benefits Paid	(1,028,834)	(389,867)
Fair value of plan assets at the end of year	2,648,227	2,931,295
Funded status	1,789,982	21,278

Excess of Actual over estimated return on plan assets NIL  
(Actual rate of return - Estimated rate of return as ARD falls on 31st March)

### 5) Actuarial Gain / Loss Recognised :

Actuarial (gain) / loss on obligations	(751,784)	(269,201)
Actuarial (gain) / loss the year - plan assets	33,456	0
Total (gain) / loss for the year	(718,328)	(269,201)
Actuarial (gain) / loss recognised in the year	(718,328)	(269,201)

### 6) 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	4,438,209	2,952,573
Fair value of plan assets as at the end of the year	2,648,227	2,931,295
Funded status	1,789,982	21,278
Net asset / (liability) recognised in Balance Sheet	(1,789,982)	(21,278)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32. Rs.17,85,06,563/- of Excise duty paid includes Rs.31,94,879/- (Rs.35,48,795) being provision made for duty payable on the unsold stock of finished goods.

### 33 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 Management Personnel	
(iii) Transaction with the above related party.		
	Transactions for the year ended 31 March, 2014	Transactions for the year ended 31 March, 2013
(a) Nature of Transactions:		
Suwardhan, Bangalore		
Purchase of Goods (Inclusive of taxes)	3,467,748	9,584,322
Sales (Inclusive of taxes)	160,815	256
Rent Received	51,348	51,348
Interest Paid	3,306,107	2,154,725
(b) Loan from Directors	7,000,000	11,000,000
(c) Loan Repaid to Directors	-	6,000,000
(d) Balance as at March 31, 2014		
Receivables	-	256
Payable	32,329,087	25,565,232
(iv) Managerial Remuneration:		
(i) Mrs.A.Gokarn *	-	4,753,635
(ii) Mr.Aditya M. Gokarn *	5,738,043	3,663,288
*The above amount does not include contribution to Provident Fund	5,738,043	8,416,923

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

34 In Calculating Basic and Diluted Earnings per Share:	Current Year Rs.	Previous Year Rs.
Numerator used:	29,071,433	22,201,156
(a) Profit after Tax		
Denominator used:	990,027	990,027
(b) Number of Equity Shares		

### 35.1 a) CIF Value of Imports :

	Current Year Value (Rs.)	Previous Year Value (Rs.)
i) Raw Materials	759,595,599	546,541,389
ii) Stores & Spares	5,101,771	6,795,058
iii) Machinery	-	3,158,719
<b>b) Expenditure in Foreign Currency :</b>		
i) Travelling	704,226	155,314
<b>Total</b>	<u>765,401,595</u>	<u>556,650,480</u>

### c) Value of Imported and Indigenous Materials Consumed :

	Current Year		Previous Year	
	Value (Rs.)	% to total consumption	Value (Rs.)	% to total consumption
i) Raw Materials Imported	780,266,872	76.65	575,655,998	60.29
Indigenous	237,670,494	23.35	379,137,863	39.71
Total	<b>1,017,937,365</b>	<b>100.00</b>	<b>954,793,862</b>	<b>100.00</b>
ii) Stores, Spares & Components:				
Imported	5,196,900	7.49	6,964,179	9.43
Indigenous	64,205,607	92.51	66,877,310	90.57
Total	<b>69,402,507</b>	<b>100.00</b>	<b>73,841,489</b>	<b>100.00</b>

### 35.2 Earnings in Foreign Exchange on FOB basis:

	Current Year Value (Rs.)	Previous Year Value (Rs.)
Export of goods.	188,049,697	52,945,714

### 36 Derivative Instruments

- a) During the year, the company has not entered into any formal hedging policy to hedge its exposure in foreign currency and interest rate (if any). Hence, the outstanding derivative instruments as on March 31, 2014 is NIL (March 31, 2013 - Nil)
- b) Unhedged foreign currency exposures:  
Foreign currency exposure that are not hedged by a derivative instruments or otherwise are as follows:

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	USD	Equivalent in Rs.	USD	Equivalent in Rs.
<b>Assets</b>				
i) Trade Receivables	148,828	9,070,898	2,722	145,016
ii) Advance Paid	24,716	1,958,034	1,061	58,888
<b>Liabilities</b>				
i) Trade payables	1,314,138	104,216,355	1,383,274	76,799,396

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

For Brahmayya & Co.,  
Firm Registration No.0005155  
Chartered Accountants

G.Srinivas  
Partner  
Membership No.086761

Place: Bangalore  
Date: 30th May 2014

For and on behalf of the Board of Directors

S.K.Welling  
Chairman

Aditya M.Gokarn  
Managing Director

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

**ATTENDANCE SLIP**

I hereby record my presence at the Thirty Eighth Annual General Meeting held on Thursday the 14th of August 2014 at 04.00 p.m, The Gateway Hotel, Residency Road, Bangalore-560025

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 - MGT-11**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Company: TRITON VALVES LIMITED (CIN No. L25119KA1975PLC002867)  
Registered Office : **Regd. Office: Sunrise Chambers, 22, Ulsoor Road, BANGALORE -560042.**

E-mail Id: ..... DP ID No.\* ..... Client ID No.\* .....

I / We. being the Member(s) of..... Equity Shares of Triton Valves Limited hereby appoint

1. Name .....

Address .....

E-mail Id .....

Signature.....or failing him / her

2. Name .....

Address .....

E-mail Id .....

Signature.....or failing him / her

3. Name .....

Address .....

E-mail Id .....

Signature.....or failing him / her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 38th Annual General Meeting of the Company, to be held on the **August 14th 2014** at 04.00 p.m. at '**The Gateway Hotel**', **Residency Road, Bangalore - 560 025** and at any adjournment thereof, in respect of such Resolutions set out in the Notice convening the meeting as are indicated below:

Particulars	For	Against
Resolution No 1: Adoption of Annual Accounts		
Resolution No.2 Declaration of Final Dividend		
Resolution No 3. To re appoint Dr.B.R.Pai		
Resolution No 4. To re appoint Statutory Auditors		
Resolution No 5. Approval for borrowings		

Signed this day of \_\_\_\_\_ 2014

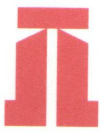
Signature of Shareholder

<p>Affix Re. 1 Revenue Stamp</p>
--------------------------------------

Signature of Proxy Holder (s)

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





**TRITON**  
VALVES LTD

Challenging Excellence

**ANNEXURE**  
**Amendments to Equity Listing Agreement**

1. In Clause 31 of Equity Listing Agreement, in sub-clause (a), after the term ".....Directors' Annual Reports", the following shall be inserted, viz.,:-

*"along with Form A or Form B, as applicable, the proforma for which shall be as under:-*

**FORM A**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company	Triton Valves Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2014
3.	Type of Audit observation	Nil
4.	Frequency of observation	NA
5.	To be signed by- CEO/Managing Director CFO Auditor of the company Audit Committee Chairman	For TRITON VALVES LTD.  V. SRIDHAR Vice President - Finance

**FORM B**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

	Name of the Company:	Triton Valves Limited
	Annual financial statements for the year ended	31 <sup>st</sup> March 2014
	Type of Audit qualification	Nil
	Frequency of qualification	NA
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	NA
	Additional comments from the board/audit committee chair:	Nil
	To be signed by- CEO/Managing Director CFO Auditor of the company Audit Committee Chairman"	For TRITON VALVES LTD.  V. SRIDHAR Vice President - Finance

Date: 22.10.2014

Place: Bangalore

**CIN : L25119KA1975PLC002867**

Sunrise Chambers, 22, Ulsoor Road, Bangalore - 560 042, India

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F: +91 80 25586483

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E : info@tritonvalves.com

CIN NO. L25119KA1975PLC002867

