



**TRITON**  
VALVES LTD

Challenging Excellence

August 9, 2016

To,  
The Secretary  
BSE Limited  
P J Towers, Dalal Street, Fort,  
Mumbai — 400 001  
**BSE Symbol: 505978**

Dear Sir,

- **Sub: Annual Report for Financial Year 2015-16**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report for the Financial Year 2015-16 as it has been approved and adopted in the 40<sup>th</sup> Annual General Meeting of the Company held on August 5, 2016.

We request you to kindly take the same on record.

Thanking you,

Yours Sincerely,  
For Triton Valves Limited

*Apoorva G*  
Apoorva G  
Company Secretary



Encl: a/a



**TRITON**  
VALVES LTD

Challenging Excellence

# 40<sup>th</sup> ANNUAL REPORT

2015-2016





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



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



### 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 level 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.



# CONTENTS

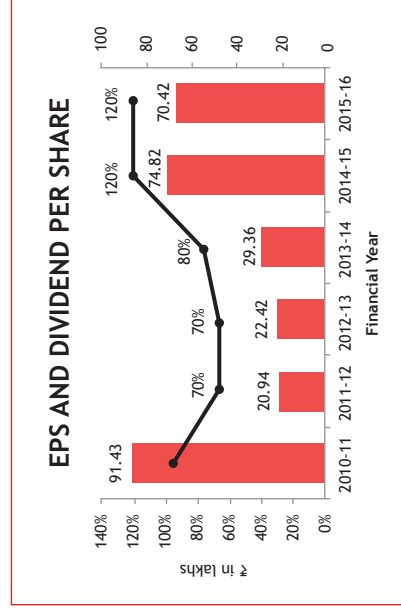
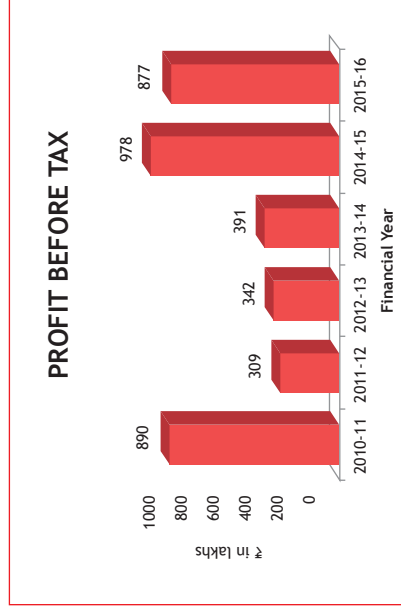
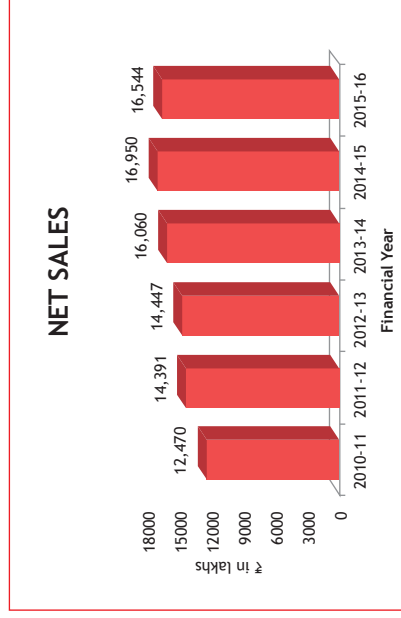
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PARTICULARS	PAGE NO.
Ten years at a glance	4
Board of Directors & Corporate Information	5
Board's Report	6
Management Discussion and Analysis	34
Corporate Governance Report	37
Independent Auditor's Report	48
Financial Statements	54

# TEN YEARS AT A GLANCE

₹ in lakhs

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Net Sales	6,438.47	7,469.12	7,836.92	9,132.62	12,470.05	14,390.69	14,446.93	16,059.68	16,950.19	16,543.72
Profit Before Tax	293.53	383.45	441.90	709.19	889.83	308.76	341.53	390.72	978.47	877.03
Profit After Tax	199.72	241.24	283.82	480.98	603.72	207.28	222.01	290.71	740.72	697.20
Dividend	100%	125%	150%	200%	100%	70%	70%	80%	120%	120%
Earnings per Share	62.41	75.39	88.69	150.30	91.43	20.94	22.42	29.36	74.82	70.42
Gross Fixed Assets	2,372.06	3,664.40	4,412.69	4,772.14	6,127.05	8,727.59	10,235.43	10,351.08	10,519.69	11,735.26
Net Worth	2,915.72	3,054.62	3,287.97	3,694.31	4,332.98	4,459.72	4,601.19	4,799.85	5,156.02	5,710.90



## BOARD OF DIRECTORS & CORPORATE INFORMATION

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S.K. Welling	Chairman
Anuradha M. Gokarn	Non-Executive Director
Dr. B.R. Pai	Independent Director
Aditya M. Gokarn	Managing Director

### KEY MANAGERIAL PERSONNEL

Aditya M. Gokarn	Managing Director
V. Sridhar	Chief Financial Officer
Apoorva G.	Company Secretary

### STATUTORY AUDITORS

Brahmayya & Co.

### INTERNAL AUDITORS

Grant Thornton India LLP

### REGISTERED OFFICE

Sunrise Chambers  
22, Ulsoor Road,  
Bengaluru - 560 042.  
P: +91 80 25588965/66; F: +91 80 25586483  
W: [www.tritonvalves.com](http://www.tritonvalves.com); E: [investors@tritonvalves.com](mailto:investors@tritonvalves.com)  
CIN: L25119KA1975PLC002867

### SECRETARIAL AUDITOR

S. Kedarnath & Associates

### BANKERS

HDFC Bank  
DBS Bank  
Kotak Mahindra Bank  
Yes Bank

### SHARE TRANSFER AGENT

Canbank Computer Services Limited,  
218, J.P. Royale, 1st Floor, 2nd Main,  
Sampige Road, Malleswaram,  
Bengaluru - 560 003.  
P: +91 80 23469661/62; F: +91 80 23469667/68



## BOARD'S REPORT

Your Directors have pleasure in presenting the Fortieth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2016.

### 1. Financial Results

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

	2015 - 2016 (Rs. Lakhs)	2014 - 2015 (Rs. Lakhs)
Total Income	16,559.08	16,983.19
Profit Before Tax	877.03	978.47
Provision for Taxation	179.83	237.75
Profit After Tax	697.19	740.71
Add: (a) Balance Brought Forward	648.28	351.84
Profit available for appropriation	1,345.47	1,092.55
<b>Appropriations</b>		
Proposed Dividend on equity shares	118.80	118.80
Tax on Dividend	23.51	25.47
General Reserve	300.00	300.00
Balance Carried Forward	903.16	648.28
	<b>1,345.47</b>	<b>1,092.55</b>

### 2. Business Operations

Your Company's sales revenue net of excise duty and discount decreased by 2.3% to Rs. 165.44 crores from Rs. 169.50 crores in the previous year. Profit Before Tax decreased to Rs. 877.12 lakhs from the previous year's level of Rs. 978.47 lakhs representing a decrease of 10%. Profit After Tax decreased by 5.87% over the previous year to Rs. 697.19 lakhs. The decrease in sales turnover and profit was on account of a decrease in selling prices in line with reductions in raw material costs. Volume sales actually grew up by 3% during the year.

### 3. Dividend

Your Directors are pleased to recommend a dividend of Rs.12/- per Equity Share (120 %) of Rs10/- each for the Financial Year ended March 31, 2016.

### 4. Reserves

The Reserves of the Company increased by 10.97% to Rs. 56.12 crores against Rs. 50.57 crores in the previous year. In view of higher available disposable profit, an amount of Rs. 3 crores has been transferred to General Reserve during the current year.

### 5. Prospects for the Financial Year 2016-17

Your Company's prospects are directly linked to those of the automobile and tyre industries. Both these industries are expected to grow during the year ahead. Analysts and industry watchers expect the automobile industry to grow by 5-7% and the tyre industry by 5% during the year ahead. Hence your Company has a positive outlook for the year ahead.

### 6. Change in the nature of business

During the year under review, there has not been any change in the nature of business.

## 7. Deposits

Your Company has not accepted deposits within the meaning of Sections 73 and 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## 8. Subsidiaries

The Company does not have any subsidiary company.

## 9. Corporate Governance and Management Discussion and Analysis Report

Pursuant to listing agreement with Stock Exchanges, 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.

## 10. Changes in the Board of Directors and Key Managerial Personnel

Mrs. Anuradha M. Gokarn (DIN:00185509) retires by rotation at the Annual General Meeting and being eligible, has offered herself for re-appointment.

Mr. S K Welling (DIN 00050943), Independent Director and Chairman of the Company is proposed to be appointed as Independent Director pursuant to the applicable provisions of the Companies Act, 2013.

Ms. Apoorva G was appointed as Company Secretary (CS) of the Company w.e.f July 15, 2015 pursuant to Section 203 of the Companies Act, 2013.

## 11. Auditors

Messrs Brahmayya & Co., Chartered Accountants, Bengaluru, were appointed as Statutory Auditors of the Company by the shareholders at the AGM held on August 14, 2014. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of Messrs Brahmayya & Co., Chartered Accountants as Auditors of the Company is placed for ratification by the shareholders at the ensuing Annual General Meeting. The Company has received a certificate from the auditors to the effect that their appointment will be in accordance with the provisions of Section 141 of the Companies Act, 2013.

## 12. Secretarial Audit

The Board of Directors of the Company had appointed Messrs S Kedarnath & Associates, Practising Company Secretaries to conduct the Secretarial Audit pursuant to the provisions of Section 204 of the aforesaid Act for the financial year ended March 31, 2016. The Secretarial Audit Report forms part of the Annual Report as Annexure I of the Board's Report.

## 13. Cost Audit

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company were required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed Messrs Rao, Murthy and Associates, Cost Accountants, (Firm Registration No. 000065) to audit the cost accounts of the Company for the financial year 2015-16 on a remuneration of Rs. 1,00,000/-. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to Messrs Rao, Murthy and Associates, Cost Accountants is included at Item No. 9 of the Notice convening the Annual General Meeting.

#### **14. Directors' responsibility statement**

As per Section 134(3)(c) of the Companies Act, 2013 the Board of Directors makes the following statement:

- (a) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) That the Directors had 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.
- (c) That the Directors had 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;
- (d) That the Directors had prepared the annual accounts on a going concern basis;
- (e) That the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **15. Board meetings**

The Board of Directors met 4 (Four) times during the financial year i.e., on May 22, 2015, July 20, 2015, October 27, 2015 and January 29, 2016. The maximum interval between any two meetings did not exceed 120 days.

#### **16. Committees of the Board**

In accordance with the Companies Act, 2013 and the Listing requirements, following five Committees of the Board continued to discharge their respective functions and duties:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Corporate Governance Report" as part of this Annual Report.

#### **17. Declaration by an Independent Director**

The Company has received declarations from all Independent Director under Section 149(7) of the Companies Act, 2013 complied according to the provisions of Section 149(6) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6) of the said Act.

#### **18. Annual Evaluation of performance of the Board, its Committees and Individual Directors:**

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out an annual performance evaluation of its own performance and the Directors individually.

The Company has laid down criteria and policy on evaluation of the performance of the Board, its Committees and Independent Directors as per the Companies Act, 2013 and same is available in the Company's website. [www.tritonvalves.com](http://www.tritonvalves.com)

#### **19. Remuneration Policy**

The Policy had been laid down by the Nomination and Remuneration Committee for remuneration of Directors, KMP and other employees and the criteria formulated by the Committee for determining qualifications, positive attributes of Independent Directors is appended as Annexure II to this Report and the same is available in the Company's website: [www.tritonvalves.com](http://www.tritonvalves.com).

#### **20. Particulars of Loans, Guarantees or Investments**

During the year of review, the Company has not given any loans or provided any guarantees or made any investments during the financial year.

#### **21. Related Party Transactions**

The Company has formulated a policy on related party transactions and same is available in the Company's web site. [www.tritonvalves.com](http://www.tritonvalves.com). The Particulars of contracts/ arrangement made with related parties as required under clause (h) of Sub-section (3) of Section 134 of the Companies Act 2013 and Rule (8)(2) of the Companies (Accounts) Rules 2014 in Form AOC-2 is provided in Annexure III to the Board's Report.

#### **22. Conservation of Energy, Technology Absorption, Exports and Foreign Earnings & Outgo**

The Information required to be furnished pursuant to Section 134(3)(m) of the Companies Act 2013 is set out in the Annexure IV to the Board's Report.

#### **23. Significant & material orders passed by the Regulators**

The Company has not received any significant/material orders from the Statutory Regulatory bodies/ Courts/Tribunals which effect the operations/status of the Company.

#### **24. Risk Management Policy**

The Risk Management Committee has been constituted defining role and responsibilities of the Committee and same is available in Company's web site. [www.tritonvalves.com](http://www.tritonvalves.com)

#### **25. Vigil Mechanism:**

The Company has established a Whistle Blower Policy for Directors and employees to report concern of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct and same displayed in the Company's website; [www.tritonvalves.com](http://www.tritonvalves.com).

#### **26. Extract of Annual Return**

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 forms part of this Annual Report in Annexure V of the Board's Report.

#### **27. Material changes and commitments**

There are no changes or commitments made, affecting the financial position of the Company during the financial year ended March 31, 2016 and also till the date of this report. The depreciation on the assets of the Company has been re-cast in line with Companies Act, 2013 and to that extent affecting results of the Company.

#### **28. Employee Relations**

During the year under review, your Company enjoyed cordial relationship with employees at all levels.

#### **29. Particulars of Employees**

The table exhibiting the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure VI to the Board's Report.

**30. Disclosure under the sexual harassment of women at workplace (prevention, prohibition and redressal) Act, 2013**

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Triton Valves Limited's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Policy on Prevention of Sexual Harassment at Workplace had already been implemented as per the directives of Supreme Court. Further, the same policy had been amended recently in line with the recent amendments. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour. The Committee had been formed including the outside member to oversee the effective implementation.

No complaints were received during the year ended March 31, 2016.

**31. Details of adequacy of internal financial controls**

The Company is well equipped with adequate internal financial controls. The Company has a continuous monitoring mechanism which enables the organisation to maintain the same standard of the control systems and in managing any default on timely basis because of strong reporting mechanisms followed by the Company.

**32. Corporate Social Responsibility:**

The Company has constituted a Corporate Social Responsibility Committee and has formulated a policy of CSR and same is available in Company's website [www.tritonvalves.com](http://www.tritonvalves.com). The Annual report on our CSR activities is appended as Annexure VII to the Board's Report.

**33. Recognition of R & D Centre**

The Company had applied for recognition for its in-house R&D Center during the previous year with the Department of Scientific and Industrial Research (DSIR). The Directors are proud to inform the Shareholders that the recognition had been obtained with effect from April 1, 2016 and is valid up to March 31, 2019.

**34. 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, DBS Bank, Kotak Mahindra Bank and Yes Bank for meeting the long term and working capital needs of the Company.

The Board is 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

S.K.Welling  
Chairman

Place: Bengaluru

Date: May 20, 2016

## Annexure I

## SECRETARIAL AUDIT REPORT

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

(FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016)

The Members,  
Triton Valves Limited,  
Bangalore-560042

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Triton Valves Limited having CIN: L25119KA1975PLC002867 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion there on.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 (financial year) according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
3. There were no occasions needing compliance under the provisions of the Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and;

Report that during the financial year -

- i. There were no occasions needing compliance under the provisions of The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- ii. The Company has complied with the requirements of The SEBI (Prohibition of Insider Trading) Regulations, 1992 upto (14th May 2015) and SEBI (Prohibition of Insider Trading) Regulations, 2015 effective from 15th May 2015 as to the requirements of providing necessary information on the Company's website and other necessary disclosures.
- iii. The Company has not issued any security attracting the provisions of The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- iv. The Company has not issued any securities under ESOP/ESPS schemes attracting the provisions of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- v. The Company has not issued any Debt Securities attracting the provisions of The SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
- vi. The Company has complied with the requirements of The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- vii. The Company has not applied for delisting of Equity Shares in any stock exchange and hence compliance under the SEBI (Delisting of Equity Shares) Regulations, 2009 is not mandated;
- viii. The Company has not brought back any security attracting the provisions of the SEBI (Buyback of Securities) Regulations, 1998.
- ix. The Company has signed fresh Listing Agreement on 2nd December 2015, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

We further report that in accordance with the guidelines issued by the Institute of Company Secretaries of India (ICSI) on the applicability of industry specific laws as applicable to the Company and based on the information received and records maintained, the Company has, in our opinion, generally complied with the provisions of following laws:

- a) The Competition Act, 2002 and the Rules thereon.
- b) The Environmental Protection Act, 1986.
- c) The Factories Act 1948.
- d) The Water (Prevention and control of Pollution) Act, 1974.
- e) The Air (Prevention and control of Pollution) Act, 1981.
- f) The Hazardous Waste (Management and Handling) Rules, 1989.

We have also examined compliance with respect to the applicable Secretarial Standards and SS-1 and SS-2 issued by ICSI and notified by the Central Government, with respect to Board Meetings and General Meetings held during the financial year under report, have been generally complied; and;

The Company has complied with the applicable clauses of the Listing Agreement entered into with the BSE Limited (BSE) have generally been complied with. .

We further state that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We state that since the provisions relating to Audit of Accounts and the related financial records including Customs, Central Excise and Sales Tax records of the Company have been covered under the Financial Audit, the same are not dealt with in any manner in our Secretarial Audit Report.

We further report that:

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through voting at the meeting. The minutes of meetings are self explanatory with respect to dissenting members view if any.

We report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc

Place : Bengaluru  
Date : 18.05.2016

For S Kedarnath & Associates  
Company Secretaries

S. KEDARNATH  
Company Secretary  
C P No 4422

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

#### 'Annexure A'

To,  
The Members,  
Triton Valves Limited,  
Bangalore- 560042

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Central Excise and Customs Law, Central and State Sales Tax Laws.
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place : Bengaluru  
Date : 18.05.2016

For S Kedarnath & Associates  
Company Secretaries

S. KEDARNATH  
Company Secretary  
C P No 4422



## Annexure II

### Nomination & Remuneration Policy

#### 1. Introduction

In terms of Section 178 of the Companies Act, 2013 and the Listing Agreement, entered into by the Company with Stock Exchanges, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors vide its Resolution dated May 30, 2014. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

#### Objective of the Policy

The policy is framed with the objective(s):

1. That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
2. That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks
3. That the remuneration to Directors, Key Managerial Personnel (KMP), and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals
4. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration
5. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry
6. To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations; and
7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage
8. To lay down criteria for appointment, removal of Directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on March 25 2015.

Effective Date: This policy shall be effective from Financial Year 2014-15

#### Definitions

In this Policy unless the context otherwise requires:

1. 'Act' means Companies Act, 2013 and rules there under
2. 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the Directors of the Company
3. 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board
4. Company means Triton Valves Limited
5. 'Directors' means Directors of the Company
6. 'Independent Director' means a Director referred to in Section 149 (6) of the Companies Act, 2013

7. 'Key Managerial Personnel' (KMP) means:
  - a. Chief Executive Officer and / or Managing Director
  - b. Whole-time Director
  - c. Chief Financial Officer
  - d. Company Secretary
  - e. Such other officer as may be prescribed
8. 'Ministry' means the Ministry of Corporate Affairs
9. 'Regulations' refers to and comprise of Companies Act, 2013, The Companies (Meeting of Board and its Powers) Rules, 2014, The Companies (Appointment and Qualification of Directors) Rules, 2014, The Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Listing Agreement and such other rules and provisions as applicable to the matters dealt in by this Policy

'Senior Management Personnel' for this purpose shall mean employees of the company who are members of its core management team excluding Board of Directors. It would comprise all members of the management and one level below the executive Director(s), including the functional / vertical heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

## 2. Nomination and Remuneration Committee

### Guiding Principles for Constitution of Nomination and Remuneration Committee

The Committee will meet at such intervals as deems fit to carry out the objectives set out in the Policy. A quorum of two members) is required to be present for the proceedings to take place. The Committee members may attend the meeting physically or via permitted audio-visual mode, subject to the provisions of the applicable Regulations. The Committee shall have the authority to call such employee(s), senior official(s) and / or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee.

### Committee Members

The Nomination and Remuneration Committee comprises of the following Directors:

Name	Category	Designation
Dr. B.R.Pai	Independent Director	Chairman
Mr. S.K.Welling	Independent Director	Member
Mrs. Anuradha M. Gokarn	Non-Executive Director	Member

### Functions of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall, inter-alia, perform the following functions:

1. Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance
2. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees
3. Ensure that the Board comprises of a balanced combination of Executive Directors and Non-executive Directors and also the Independent Directors
4. Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability
5. Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines

6. Decide / approve details of fixed components and performance linked incentives along with the performance criteria
7. Devise a policy on Board diversity
8. Formulate the criteria for evaluation of Independent Directors and the Board
9. The Nomination and Remuneration Committee shall, formulate the Remuneration Policy of the Company
10. The Nomination and Remuneration Committee shall assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and to senior management

The Chairman of the nomination and remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

Provided that Nomination and Remuneration Committee shall set up mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious execution.

### **3. Applicability**

This Policy is applicable to:

1. Directors viz. Executive, Non-executive and Independent
2. Key Managerial Personnel
3. Senior Management Personnel
4. Other Employees of the Company

### **4. Appointment of Director, KMP and Senior Management**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. Appointment of Independent Directors is subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules thereunder
4. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a Special Resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

### **5. Term / Tenure**

**Managing Director / Whole-time Director**

The Company shall appoint or re-appoint any person as its Executive Director, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**Independent Director**

Subject to the provisions of the applicable Regulations, an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure(s) of such appointment in the Board's report.

Provided that a person who has already served as an Independent Director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company or such prescribed period by the Statutory Authority from time to time.

#### **6. Training of Independent Directors**

1. The company shall provide suitable training to Independent Directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.
2. The details of such training imparted shall be disclosed in the Annual Report

#### **7. Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

#### **8. Removal**

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

#### **10. Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Regulations and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

#### **11. Matters relating to the remuneration, perquisites for the Whole-time Director, KMP and Senior Management Personnel**

1. The remuneration / compensation / profit-linked commission etc. to the Whole-time Director, Directors and Independent Directors will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / profit-linked commission etc. shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company, Act and shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required
2. As regards the remuneration of KMP, Senior Management Personnel and other employees, the determination shall be effected by way of annual presentation before the Committee by Principal - HR and / or by the Chief Financial Officer, which would have requisite details. The Committee shall peruse the same and approve accordingly.
3. Increments to the existing remuneration / compensation structure shall be approved by the Committee. Increments to the Whole Time Director(s) should be within the slabs approved by the Shareholders. Increments will be effective from 1st April in respect of a Whole-time Director as well as in respect of other employees of the Company, unless otherwise decided.
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration

## 12. Remuneration to Whole-time / Executive / Managing Director

### Remuneration

The Whole-time Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

### Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the previous approval of the Central Government.

### Provisions for excess remuneration

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

## 13. Remuneration to Non-executive / Independent Director

### Sitting Fees

The Non-executive Independent Directors of the Company shall be paid sitting fees as per the applicable Regulations and no sitting fee is paid to Non-executive Non Independent Directors. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Further the boarding and lodging expenses shall be reimbursed to the Directors based out of Bengaluru.

### Profit-linked Commission

The profit-linked Commission shall be paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Regulations.

### Stock Options

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company. Only such employees of the Company and its subsidiaries as approved by the Nomination and Remuneration Committee will be granted ESOPs.

## 14. Remuneration to KMP, Senior Management Personnel and Other Employees

The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as may approved by the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

The Principal - HR and / or the Chief Financial Officer of the Company, will make org-wide annual presentation(s) before the Committee which would have requisite details setting out the proposed performance bonus payouts for the current financial year as well as the proposed increments for the next financial year. The Committee shall peruse and approve the same unless required under relevant regulations, to refer the same to the Board of Directors and / or Shareholders of the Company.

This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board meeting minutes.

The remuneration for KMP and Senior Managerial Personnel and other employees of the Company shall be approved by the Committee based on the org-wide recommendation / presentation by the Principal - HR and / or the Chief Financial Officer of the Company. In case any of the relevant regulations require that remuneration of KMPs or any other officer is to be specifically approved by the Committee and / or the Board of Directors then such approval will be accordingly procured.

#### **15. Dissemination**

The details of the Policy and the evaluation criteria as applicable shall be published on Company's website and accordingly disclosed in the Annual Report as part of Board's report therein.

#### **16. Amendments to the Policy**

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

**Annexure III**

**Form No. AOC-2**

**[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:** The Company has not entered into any material contracts or arrangement or transactions with its related parties which is not at arm's length and hence not applicable.
2. **Details of material contracts or arrangement or transactions at arm's length basis:**
  - a) Name(s) of the related party and nature of relationship: Messrs Suvadhan, Bengaluru Partnership Firm, Managing Director and Non-Executive Director are Interested Partners in the Firm.
  - b) Nature of contracts/arrangements/transactions: Purchase of Goods
  - c) Duration of the contracts / arrangements/transactions: 3 Years
  - d) Salient terms of the contracts or arrangements or transactions including the value, if any: The Company has entered into purchase of goods, the Board has approved for a maximum of Rs.200 lakhs per year. Omnibus approval has been obtained for the period of one year from April 1, 2016 to March 31, 2017 as per the provisions of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 at the Board Meeting held on January 29, 2016.
  - e) Date(s) of approval by the Board, if any: 29-05-2013
  - f) Amount paid as advances, if any: Nil

For and on behalf of the Board of Directors

S.K.Welling  
Chairman

Place: Bengaluru

Date: May 20, 2016

## Annexure IV

### (Information pursuant to Clause (m) of sub-section (3) of section 134 of the Act read with Companies (Accounts) Rules, 2014)

#### 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 molding process.
- c. High energy consumption equipment is operated during off-peak hours to take advantage of the lower power tariffs
- 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

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

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

- i. Development of new products for the domestic and export markets.
- ii. Development of new rubber compounds and formulations.
- iii. Development of new tools, moulds, jigs and fixtures.
- iv. Development of new manufacturing processes and techniques
- v. Development of new equipment and modification of existing machinery.

##### b. 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.

##### c. 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 valves cores.
- Planned to develop TPMS valves for export.
- To develop high performance products to suit high temperature and high pressure applications
- To substitute hazardous materials used in manufacturing with eco-friendly ones.
- More sophisticated R&D infrastructure with complete facility for raw material testing, rubber testing and product testing are installed in the new R&D facility.
- R&D facility created to manufacture prototypes and small batch development activities.



**d. Expenditure on Research & Development**

R&D Expenses	2015-16	2014-15
	(Rs. lakhs)	(Rs. lakhs)
a. Capital	270.48	11.70
b. Recurring	188.24	111.38
Total	458.71	123.08
Total R&D expenditure as a percentage of turnover	2.77%	0.73%

**C. Foreign Exchange Earnings and Outgo**

Equivalent in Rupees	
Foreign exchange earned through exports	Rs. 2273.73 Lakhs
Foreign exchange used	Rs.8508.42 Lakhs

For and on behalf of the Board of Directors

S.K.Welling  
Chairman

Place: Bengaluru  
Date: May 20, 2016

Annexure V

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	L25119KA1975PLC002867
2	Registration Date	10-Sep-75
3	Name of the Company	Triton Valves Limited
4	Category/Sub-category of the Company	Company Limited by Shares Indian Non-Government Company
5	Address of the Registered office & contact details	Sunrise Chambers, 22, Ulsoor Road, Bengaluru -560042. Contact Details - Apoorva G - Company Secretary, Ph No: 080-25588965/66.
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Canbank Computer Services Limited, 218, J.P.Royale, 1st Floor, 2nd Main, Sampige Road, Malleswaram, Banglore-560 003. Contact Details: Mr.Ravi, Manager-RTA, Contact No: 080-23469661/62/64. E: canbankrta@ccsl.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Automobile Tyre Tube & Tubeless Valves and Accessories	848180-04	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Not Applicable					

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	500,004	-	500,004	50.50	500,004	-	500,004	50.50	-
b) Central Govt	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>500,004</b>	-	<b>500,004</b>	<b>50.50</b>	<b>500,004</b>	-	<b>500,004</b>	<b>50.50</b>	-
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL (A)</b>	<b>500,004</b>	-	<b>500,004</b>	<b>50.50</b>	<b>500,004</b>	-	<b>500,004</b>	<b>50.50</b>	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	12,500	-	12,500	1.27	38,362	-	38,362	3.88	2.61
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>12,500</b>	-	<b>12,500</b>	<b>1.27</b>	<b>38,362</b>	-	<b>38,362</b>	<b>3.88</b>	<b>2.61</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	42,613	350	42,963	4.34	23,826	350	24,176	2.44	(1.90 )
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	311,666	50,494	362,160	36.58	312,689	43,696	356,385	36.00	1.90
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	54,000	-	54,000	5.45	54,000	-	54,000	5.45	-
HUF	12,789	-	12,789	1.29	12,530	-	12,530	1.27	(0.02)
Non Resident Indians	4,155	-	4,155	0.42	4,477	-	4,477	0.45	0.03
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	1,456	-	1,456	0.15	93	-	93	0.01	(0.14 )
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>426,679</b>	<b>50,844</b>	<b>477,523</b>	<b>48.23</b>	<b>407,615</b>	<b>44,046</b>	<b>451,661</b>	<b>45.62</b>	-
<b>Total Public (B)</b>	<b>439,179</b>	<b>50,844</b>	<b>490,023</b>	<b>49.50</b>	<b>445,977</b>	<b>44,046</b>	<b>490,023</b>	<b>49.50</b>	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>939,183</b>	<b>50,844</b>	<b>990,027</b>	<b>100.00</b>	<b>945,981</b>	<b>44,046</b>	<b>990,027</b>	<b>100.00</b>	-

## (ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Nagarkatte Shridharmurthy Nirmala	1,12,506	11.36	-	1,12,506	11.36	-	-
2	Pradeep P Koppikar	9,675	0.97	-	9,675	0.97	-	-
3	Aditya Maruti Gokarn	5,971	0.60	-	5,971	0.60	-	-
4	Maruti Anuradha Gokarn	30,000	3.03	-	30,000	3.03	-	-
5	Anil Maruti Gokarn	3,059	0.31	-	3,059	0.31	-	-
6	Anuradha Maruti Gokarn	1,25,020	12.63	-	1,25,020	12.63	-	-
7	Aditya Maruti Gokarn	40,851	4.13	-	40,851	4.13	-	-
8	Anuradha Maruti Gokarn	1,25,021	12.63	-	1,25,021	12.63	-	-
9	Anil Maruti Gokarn	44,151	4.46	-	44,151	4.46	-	-
10	Pradeep P Koppikar	3,750	0.38	-	3,750	0.38	-	-
	<b>Total</b>	<b>5,00,004</b>	<b>50.50</b>	<b>-</b>	<b>5,00,004</b>	<b>50.50</b>	<b>-</b>	<b>-</b>

## (iii) Change in Promoters' Shareholding (please specify, if there is no change) - No Change

## (iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>K Raghunath Shenoy</b>				
	At the beginning of the year (as on 01.04.2015)	54,000	5.45	54,000	5.45
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	-	-	-	-
	At the End of the year (as on 31.03.2016)	54,000	5.45	54,000	5.45
2	<b>SBI Equity Opportunities Fund Series IV</b>				
	At the beginning of the year (as on 01.04.2015)	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	Purchase of 11,617	1.17	11,617	1.17
	At the End of the year (as on 31.03.2016)	11,617	1.17	11,617	1.17
3	<b>SBI Equity Opportunities Fund Series II</b>				
	At the beginning of the year (as on 01.04.2015)	2,500	0.25	2,500	0.25
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	Purchase of 8,245	0.83	10,745	1.09
	At the End of the year (as on 31.03.2016)	10,745	1.09	10,745	1.09
4	<b>SBI Long Term Advantage Fund Series I</b>				
	At the beginning of the year (as on 01.04.2015)	10,000	1.01	10,000	1.01
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	-	-	-	-
	At the End of the year (as on 31.03.2016)	10,000	1.01	10,000	1.01

Sl. No	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Katy Dolly Navasariwalla</b>					
5	At the beginning of the year (as on 01.04.2015)	7,500	0.76	7,500	0.76
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	-	-	-	-
	At the End of the year (as on 31.03.2016)	7,500	0.76	7,500	0.76
<b>Pooja Ahlawat</b>					
6	At the beginning of the year (as on 01.04.2015)	4,162	0.42	4,162	0.42
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	Purchase of 2,871	0.29	7,033	0.71
	At the End of the year (as on 31.03.2016)	7,033	0.71	7,033	0.71
<b>Deepak Dhall</b>					
7	At the beginning of the year (as on 01.04.2015)	3,665	0.37	3,665	0.37
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	Purchase of 2,818	0.28	6,483	0.65
	At the End of the year (as on 31.03.2016)	6,483	0.65	6,483	0.65
<b>SBI Long Term Advantage Fund Series II</b>					
8	At the beginning of the year (as on 01.04.2015)	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	Purchase 6,000	0.61	6,000	0.61
	At the End of the year (as on 31.03.2016)	6,000	0.61	6,000	0.61
<b>Pradip Lalla</b>					
9	At the beginning of the year (as on 01.04.2015)	5,836	0.59	5,836	0.59
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	Purchase 9	0.00	5,845	0.59
	At the End of the year (as on 31.03.2016)	5,845	0.59	5,845	0.59
<b>Minto Park Estates Private Limited</b>					
10	At the beginning of the year (as on 01.04.2015)	8,010	0.80	8,010	0.80
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	Sale of 2,550	0.26	5,460	0.55
	At the End of the year (as on 31.03.2016)	5,460	0.55	5,460	0.55

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>Mr. Aditya M. Gokarn (Managing Director)</b>				
	At the beginning of the year	46,822	4.73	46,822	4.73
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	-	-	-	-
	At the End of the year	46,822	4.73	46,822	4.73
2	<b>Mrs. Anuradha M Gokarn (Non-executive Director)</b>				
	At the beginning of the year	2,80,041	28.28	2,80,041	28.28
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	-	-	-	-
	At the End of the year	2,80,041	28.28	2,80,041	28.28
3	<b>Dr. B. R Pai (Director)</b>				
	At the beginning of the year	1,300	0.13	1,300	0.13
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	Purchase of 60	0.01	1,360	0.14
	At the End of the year	1,360	0.14	1,360	0.14
4	<b>Mr. S. K. Welling (Director)</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc):	-	-	-	-
	At the End of the year	-	-	-	-
5	<b>Mr. V. Sridhar (Chief Financial Officer)</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	-	-	-	-
	At the End of the year	-	-	-	-
6	<b>Ms. Apoorva G (Company Secretary)</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	-	-	-	-
	At the End of the year	-	-	-	-

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	680.74	360.00	-	1,040.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>680.74</b>	<b>360.00</b>	<b>-</b>	<b>1,040.74</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	1,000.00	40.00	-	1,040.00
Reduction	(585.04)	-	-	(585.04)
<b>Net Change</b>	<b>414.96</b>	<b>40.00</b>	<b>-</b>	<b>454.96</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,095.70	400.00	-	1,495.70
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,095.70</b>	<b>400.00</b>	<b>-</b>	<b>1,495.70</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD
		Name Mr.Aditya M.Gokarn
		Designation Managing Director
1	Gross salary	
	(a) Salary as per provisions contained u/s 17(1) of the Income -tax Act, 1961	49.35
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12.21
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	
2	Stock Option	-
3	Sweat Equity	-
4	Commission	
	- as % of profit	-
	- others, specify	-
5	Others, please specify	-
	<b>Total (A)</b>	<b>65.56</b>
	Ceiling as per the Act*	<b>73.75</b>

\*Central Govt Approval was obtained u/s 198/269/309/310 of the Companies Act, 1956 dated 06-Sep-2013

## B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount (Rs. in lakhs)
		1	Independent Directors	Mr.S.K.Welling
	Fee for attending board committee meetings	1.30	1.30	2.60
	Commission	3.21	3.21	6.42
	Others, please specify	-	-	-
	<b>Total (1)</b>	<b>4.51</b>	<b>4.51</b>	
2	Other Non-Executive Directors	Mrs. Anuradha M. Gokarn		-
	Fee for attending board committee meetings	1.30		1.30
	Commission	3.21		3.21
	Others, please specify	-		-
	<b>Total (2)</b>	<b>4.51</b>		<b>4.51</b>
	<b>Total (B)=(1+2)</b>			<b>13.53</b>
	Total Managerial Remuneration (A + B)*			<b>79.09</b>
	Overall Ceiling as per the Act**			<b>106.08</b>

\*Including sitting fees.

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

## C. Remuneration to Key Managerial Personnel other than MD :-

(Rs. in lakhs)

Sl No.	Particulars of Remuneration	Key Managerial Personnel	
		CFO	CS
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21.44	6.75
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
5	Others, please specify	-	-
	<b>Total</b>	<b>21.44</b>	<b>6.75</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Not Applicable



## Annexure VI

### Particulars of Employees

(A) Details / Disclosures of Ratio of Remuneration to each Director and KMP (Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014): (in Rs.)

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	<b>Name of Director</b>	<b>Commission (II)</b>	<b>Sitting Fees (II)</b>	<b>Salaries &amp; Perquisites</b>	<b>Total (II)</b>	<b>Ratio (times)</b>
	Mrs. Anuradha M Gokarn	3,21,454.3	1,30,000	-	4,51,454.3	1.02
	Dr. B R Pai	3,21,454.3	1,30,000	-	4,51,454.3	1.02
	Mr. Aditya M Gokarn	-	-	65,56,126	65,56,126	14.82
	Mr. S K Welling	3,21,454.3	1,30,000	-	4,51,454.3	1.02
	Medium Employee Remuneration			442280		
(Average CTC of staff + Workmen)						
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<b>Name of Director</b>	<b>Remuneration (2014-15) (in Rs.)</b>	<b>Remuneration (2015-16) (in Rs.)</b>	<b>Change %</b>		
	Mrs. Anuradha M Gokarn	4,51,459	4,51,454.3	0%		
	Dr. B R Pai	4,51,459	4,51,454.3	0%		
	Mr. Aditya M Gokarn	64,97,522	65,56,126	0.90%		
	Mr. S K Welling	4,51,459	4,51,454.3	0%		
(iii) the percentage increase in the median remuneration of employees in the financial year;	12%					
(iv) the number of permanent employees on the rolls of company;	<b>Permanent employees on the Roll</b>			<b>Numbers</b>		
	Staff including MD			128		
	Permanent Operator			172		
	<b>Total</b>			<b>300</b>		
(v) the explanation on the relationship between average increase in remuneration and company performance;	Company entered long term settlement with Union in the FY 2015-16.					
	Otherwise, general increase of 12% given to staff.					
	Company Net sales reduced by 2.39%					
	PBT is decreased by 10.37%					
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Net worth by 10.76%					
	Salary of Managerial personnel increased by 11.14%					
	Company Net sales reduced by 2.39%					
	PBT is decreased by 10.37%					
(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	<b>Particulars</b>	<b>2015</b>	<b>2016</b>			
	Market Capitalisation (Rs. in lakhs)	8776.59	8657.79			
	Price Earnings Ratio	11.85	12.41			
	Increase in the market quotations of the equity shares in comparison to the rate at which the last public offer.	8865.00%	8745.00%			

(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Salary increase of Managerial personnel increased by 11.14%												
	Salary increase of other than Managerial personnel increased by 12.41%												
	Company Net sales reduced by 2.39%												
	PBT is decreased by 10.37%												
	Net worth by 10.76%												
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	The comparison of remuneration of the each of the Key Managerial personnel against the company's Revenue and Profit for the FY 15-16 is as follows:												
	<table border="1"> <thead> <tr> <th>Name of KMP</th> <th>% of Revenue</th> <th>*% of Profit</th> </tr> </thead> <tbody> <tr> <td>Mr. Aditya M Gokarn</td> <td>0.40</td> <td>9.40</td> </tr> <tr> <td>Mr. V. Sridhar</td> <td>0.13</td> <td>3.08</td> </tr> <tr> <td>Ms. Apoorva G</td> <td>0.04</td> <td>0.97</td> </tr> </tbody> </table>	Name of KMP	% of Revenue	*% of Profit	Mr. Aditya M Gokarn	0.40	9.40	Mr. V. Sridhar	0.13	3.08	Ms. Apoorva G	0.04	0.97
	Name of KMP	% of Revenue	*% of Profit										
	Mr. Aditya M Gokarn	0.40	9.40										
	Mr. V. Sridhar	0.13	3.08										
Ms. Apoorva G	0.04	0.97											
*Profit After Tax													
(x) the key parameters for any variable component of remuneration availed by the directors;	Not Applicable												
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Not applicable												
(xii) Affirmation that the remuneration is as per the remuneration policy of the company.	Yes, remuneration is as per the remuneration policy of the company.												

**(B) Statement showing Details of Employees of the Company as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: Not Applicable**

## Annexure VII

### Annual Report on Corporate Social Responsibility (CSR) Activities

(Pursuant to Rule 8 (1) of Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Triton Valves Limited has always believed in good CSR practices since its inception. The Company believes that the only way to bridge the gap between socially-economically backward communities and socially-settled communities. We are working on areas like self-employment for rural women, upliftment of talented but economically weak children; and making the future generation, both morally and socially strong.

'UNNATI - To achieve progress/development in our neighboring educational organizations, by building long-lasting relationships with them and therefore, voluntarily contributing to a better society and cleaner environment.

The CSR Policy is available in the Company's website. [www.tritonvalves.com](http://www.tritonvalves.com)

2. The composition of the CSR Committee:

The members of the CSR committee of the Board as on March 31, 2016 are as under:

- a. Mr. S. K. Welling - Chairman
- b. Mrs. Anuradha M. Gokarn - Member
- c. Dr. B R Pai - Member

3. Average Net Profit of the Company for the last three financial years: Rs. 569.29 lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 11.39 lakhs
5. Details of CSR spent during the financial year:
  - a) Total amount spent for the financial year: Rs. 11.43
  - b) Amount unspent, if any: Nil
  - c) Manner in which the amount spent during the financial year is detailed below:

Sl. No	CSR project/ activity identified	Sector in which the project is covered	Projects/ Programs (1) Local area or others (2) Specify the state and district where project or programs were undertaken	Amount of outlay budget project or program wise (Rs.)	Amount spent on the project or programs Subheads: (i) Direct expenditure on projects or programs (2)Over-heads (Rs)	Cumulative expenditure up to the reporting period (Rs.)	Amount spent direct or through implementing agency
1.	Extra-curricular activities for the growth and development of these children.	Education	Mysore	25,887	25,887	25,887	Direct
2.	Bengaluru Environmental Trust	Environment	Bengaluru	10,000	10,000	10,000	Direct
3.	Roof reconstruction at Nagavala school - Room 1	Education	Mysore	4,99,019	4,99,019	4,99,019	Direct
4.	Roof reconstruction at Nagavala school - Room 2	Education	Mysore	1,61,331	1,61,331	1,61,331	Direct
5.	Vivekanada Trust	Education	Mysore	4,30,000	4,30,000	4,30,000	Direct
6.	Administrative Overheads			16,793	16,793	16,793	
	<b>Total</b>			<b>11,43,030</b>			

6. Reason for not spending the prescribed CSR expenditure: Nil

7. CSR Responsibility Statement:

Implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy of the Company.

**Aditya M Gokarn**  
Managing Director

**S K Welling**  
(Chairman- CSR Committee)

Place: Bengaluru  
Date: May 20, 2016

## 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 2015-16. Exports do not constitute a significant proportion of this turnover. Four manufacturers contribute over 90% of the total production and sales.

During the year, macroeconomic stability improved substantially with lower inflation, lower current account deficit, and robust foreign exchange reserves. The Indian economy registered a strong growth of 7.6% in 2015-16, higher than growth of 7.2% achieved in 2014-15. The manufacturing sector grew at 9.5%, as compared to 5.5% in the previous year. The year witnessed the continuation of the reform momentum built in 2014-15 with policies like "Make-in-India" that were initiated last year aiming at aiding growth. The implementation of these reforms has improved the business environment and enhanced investors' confidence. In addition to this, lowering of interest rates and stable fuel prices resulted in

The performance of the automobile industry was a mixed bag. While the passenger vehicle segment grew at 6% on the back of new model introductions by all major OEMs, the motorcycle segment performed poorly and declined marginally due to poor demand from the rural sector and flat sales in the quickly saturating urban markets. The Medium & Heavy Commercial Vehicle segment grew by approximately 27% over the previous fiscal due to a revival in the mining sector. The light commercial vehicle segment witnessed growth although the recovery was weak. The tractor segment recorded negative growth for the second consecutive year, impacted by deficient rainfall which reduced purchasing power in the rural markets. Overall, the industry saw some green shoots but a strong momentum of growth is yet to be seen.

The Indian tyre industry saw a subdued growth of 0-2% as estimated by industry analysts. The industry turnover for the year 2015-16 is estimated to be approximately Rs. 53,500 crore. The major obstacle to growth during the year was a large increase in imports from low cost countries, China in particular. It is estimated that Chinese tyres now occupy up to 41% of the replacement segment of the truck tyre market. Tube production is also estimated to have recorded very marginal growth or a reduction in almost all categories. The industry as a whole experienced marginal growth and under-utilization of capacities during the year.

### Opportunities and Threats

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 see a steady improvement in the year ahead. Both the automobile and tyre industries are expected to perform better than in the previous year. This is likely to increase the opportunities for your company. In addition, your company expects to increase its share of business in its existing tyre and tube customer accounts during the year.

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 from China is 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:

	2015-2016 (Rs. crore)	2014-2015 (Rs. crore)
Overall Sales	165.44	169.50
Domestic Sales	142.70	151.61
Export Sales	22.74	17.89

### Outlook

The overall outlook for the Financial Year 2016-17 is positive. The automobile and tyre industries are expected to put up an improved performance compared to the previous year. While the automobile industry is expected to grow by 10%, the tyre and tube industry is expected to grow by 7-8%. The tyre industry has also taken up the issue of Chinese dumping of tyres and tubes in India with the Government. There is a possibility of anti-dumping duties being imposed on Chinese tyres towards the latter half of the year and this would give a boost to the domestic industry and brighten the possibility of strong growth for the tyre industry.

Your Company expects to grow faster than the domestic industry with its new product offerings and competitive pricing. Operating profits are also expected to increase with sharp focus on cost cutting and manufacturing efficiencies.

### 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 2015-16 are as under:

	2015-2016 (Rs. crore)
Net Sales	165.44
Other Income	0.15
Profit before tax	8.77

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2016 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 2018. 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

### 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. The principles of governance provide reasonably good framework which describes the roles, rights, and responsibilities of the Employees within the organization.

The Company has adhered to Clause 49 of the Listing Agreement with the Stock Exchanges and also with the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 after the same became applicable.

#### Board of Directors

- The Board of Directors of the Company comprises of an optimum combination of Executive and Non-Executive Directors, which is in conformity with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.
- The Board of Directors of the Company consists of 4 Directors out of whom one is Executive, one is Non-Executive (woman) and two are Independent Directors. The Chairman of the Board is Non-executive and Independent.
- The Company has not had any pecuniary relationship and transaction with any of the Non-Executive Directors during the year under review.
- The information as required in terms of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 is being regularly placed before the Board.
- During the year, the Board of Directors met four times on May 22, 2015, July 20, 2015, October 27, 2015 and January 29, 2016. The details of Directors' attendance at the Board meetings during the year and at the last Annual General Meeting are given below.
- The details of number of directorship in Indian Companies and Committee membership held in Indian public companies as on March 31, 2016 are furnished below. None of the Directors on the Board holds directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a director.

Name of Director	Relationship with other Directors	Category	Board Meetings during the year		Whether attended last AGM	Number of Directorship in other Indian companies	Memberships of Board Committee of Companies#	
			Held	Attended			Member	Chairperson
Mr. Aditya M. Gokarn	Son of Mrs. Anuradha M Gokarn	Managing Director	4	4	Yes	Nil	1	0
Mrs. Anuradha M. Gokarn	Mother of Mr. Aditya M Gokarn	Non-executive Non Independent Director	4	4	Yes	Nil	1	0
Dr. B.R.Pai	None	Non-executive Independent Director	4	4	Yes	0	0	2
Mr. S. K.Welling	None	Non-executive Independent Director	4	4	Yes	3	2	0

#Including memberships/chairmanships of audit committee and stakeholders relationship committee in public companies (listed and unlisted) including Triton Valves Limited.



### Meeting of Independent Directors

During the year, the Independent Directors have met once on January 21, 2016, without the presence of Non-Independent Directors and members of the Management. Independent Directors at their meeting, reviewed the performance of non-Independent Directors and the Board as a whole, reviewed the performance of the Chairperson of the Company and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board for the Board to effectively and reasonably perform their duties.

### Familiarization programme for Independent Directors:

The Company has in place a familiarization programme for Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates and business model of the Company.

A copy of the familiarization programme for Independent Directors is available on the website at the link: [www.tritonvalves.com](http://www.tritonvalves.com).

### COMMITTEES OF THE BOARD

For the year ended March 31, 2016, the Board has five Committees - Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The constitution and terms of reference of the Board Committees are decided by the Board from time to time. Meeting of each Board Committee is convened by the respective Committee Chairman. The role and composition of these committees, including the number of meetings held during the financial year and the related attendance are as follows:

#### Audit Committee

- i. The Audit Committee consists of three members two of whom are Independent Directors and one Non-executive Director (woman). The Chairman of the Committee is an Independent Director. As on March 31, 2016, the Committee consisted of:
  1. Dr. B. R. Pai - Chairman
  2. Mr. S. K. Welling - Member
  3. Mrs. Anuradha M. Gokarn - Member
- 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.

#### Meetings

During the year, the Committee met four times on May 21, 2015, July 20, 2015, October 26, 2015 and January 29, 2016. The Managing Director, Internal Auditors and Statutory Auditors are invitees to the Meetings. The Company Secretary acts as Secretary to the Audit Committee.

The details of the meetings are as follows:

Name of Director	No. of meeting held	No. of meeting attended
Dr. B. R. Pai	4	4
Mr. S. K. Welling	4	4
Mrs. Anuradha M. Gokarn	4	4

#### Nomination and Remuneration Committee:

- i. The Nomination and Remuneration Committee consists of three members two of whom are Independent Directors and one Non-executive Director (woman). The Chairman of the Committee is an Independent Director. As on March 31, 2016, the Committee consisted of:
  1. Dr. B. R. Pai - Chairman
  2. Mr. S. K. Welling - Member
  3. Mrs. Anuradha M. Gokarn - Member
- ii. The Terms of Reference of the Nomination and Remuneration Committee are as set out hereunder:
  1. Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance
  2. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees
  3. Ensure that the Board comprises of a balanced combination of Executive Directors and Non-executive Directors and also the Independent Directors
  4. Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability
  5. Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines
  6. Decide / approve details of fixed components and performance linked incentives along with the performance criteria
  7. Devise a policy on Board diversity
  8. Formulate the criteria for evaluation of Independent Directors and the Board
  9. The Nomination and Remuneration Committee shall, formulate the Remuneration Policy of the Company
  10. The Nomination and Remuneration Committee shall assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and to senior management

#### Meetings

During the year, the Committee met three times on July 20, 2015, October 26, 2015 and January 30, 2016. The Company Secretary acts as Secretary to the Committee.

The details of the meetings are as follows:

Name of Director	No. of meeting held	No. of meeting attended
Dr. B. R. Pai	3	3
Mr. S. K. Welling	3	3
Mrs. Anuradha M. Gokarn	3	3

## Remuneration Policy

The Nomination and Remuneration policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013 forms part of the Board's Report.

This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees. The Committee reviews and recommends to the Board the appointment of and remuneration payable to Managerial persons.

Nomination and remuneration policy is placed on the Company's Website [www.tritonvalves.com](http://www.tritonvalves.com) and is also appended to the Board's Report as Annexure 1.

### Details of Remuneration paid to Executive Directors / Non- Executive Directors during the financial year 2015-16

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

#### Remuneration paid to Directors during 2015-16

(in Rs. Lakhs)

Name of Director	Sitting Fees	Salaries & Perquisites	Commission
Mrs. Anuradha M. Gokarn	1.30		3.21
Dr.B.R.Pai	1.30		3.21
Mr.Aditya M. Gokarn	-	65.56	-
Mr.S.K.Welling	1.30		3.21

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

Details of shares of the Company held by Non-Executive Directors as on March 31, 2016 are as below:

Name of Director	Number of Shares
Mrs. Anuradha M. Gokarn	2,80,041
Dr. B.R.Pai	1,360
Mr. S.K.Welling	Nil

No Director has been granted any stock options.

Service contracts, notice period, severance fees:

The tenure of office of the Managing Director is for five years from the date of appointment, and can be terminated by either party by giving three months prior written notice of such termination. There is no separate provision for payment of severance fees.

#### Non-Executive/Independent Directors' Compensation and Disclosures

The Company has laid down the criteria for making payments to the Non-Executive Directors. The details of such criteria are available in the Nomination and Remuneration Policy disseminated on the website of the Company at [www.tritonvalves.com](http://www.tritonvalves.com).

#### Stakeholders' Relationship Committee:

As required under Section 178 of the Companies Act 2013, the Stakeholders' Relationship Committee has been constituted with following members with their role and responsibilities:

As on March 31, 2016, the Committee consisted of the following three (3) Directors:

1. Dr. B. R. Pai, Chairman
2. Mr. S. K. Welling, Member
3. Mr. Aditya M. Gokarn, Member

The terms of reference of the Committee inter-alia include review mechanism adopted by the Company for redressing the Shareholders complaints and review the status of Complaints of the stakeholders if any.

The Committee reviews/approves, processes, standard operating procedures and initiatives undertaken by the Company relating to investor service, compliance with requirements related to listing agreements and corporate governance, shareholding pattern, periodical transfer/transmissions of shares, de-materialisation of shares, issue of duplicate certificates of the securities issued by the Company and review of status of redressal of complaints, if any lodged with authorities including SEBI, Registrar of Companies, etc by the Shareholders, compliance with applicable provisions of the Companies Act 2013 and various other status.

#### Meetings:

During the financial year ended March 31, 2016, one meeting of the Stakeholders' Relationship Committee was held on October 26, 2015. All the members of the Committee were present. The Company Secretary acts as Secretary to the Committee.

The particulars of shareholder's complaints received and disposed off during the financial year 2015-16 are as follows:

Name of non-executive director heading the Committee	Dr. B. R. Pai, Independent Director
Name and Designation of Compliance Officer	Ms. Apoorva G - Company Secretary
Number of shareholder complaints received during the year	33
Number of shareholder complaints resolved during the year	33
Number of shareholder complaints pending	Nil
Number of pending share transfers	Nil

#### CSR COMMITTEE

As per the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, Corporate Social Responsibility (CSR) Committee was constituted.

As on March 31, 2016, the CSR Committee consisted of the following Directors

1. Mr. S.K.Welling, Chairman
2. Dr. B. R. Pai, Member
3. Mrs. Anuradha M. Gokarn, Member

During the financial year ended March 31, 2016, First Meeting of the Committee was held on October 26, 2015. All the Members were present

The CSR Policy of the Company is available in Company's website [www.tritonvalves.com](http://www.tritonvalves.com).

#### Risk Management Committee:

As required under Section 134(3)(n) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015. The Risk Management Committee has been constituted and a policy has been formulated defining roles and responsibilities of the Committee and reviewing of the risk management plan to the Committee and such other functions. The Committee consists of following:

1. Dr. B. R. Pai, Chairman
2. Mr. S.K.Welling, Member
3. Mr. Aditya M. Gokarn, Member

Risk Management policy of the Company is available in the Company's website; [www.tritonvalves.com](http://www.tritonvalves.com).

## Annual General Meetings and Extraordinary General Meeting

The details of the Annual General Meetings / Extraordinary General Meeting held in the last three years are as follows:

Year	AGM/EGM	Location	Date and Time	Special Resolutions
2013	AGM	Hotel Ramada, 11, Park Road, Bengaluru-560051	July 22, 2013, 3.30 pm	Appointment of Mr. Aditya M Gokarn as Managing Director
2014	AGM	The Gateway Hotel, Residency Road, Bengaluru-560025	August 14, 2014, 4.00 pm	Borrowing powers of the Board of Directors
2015	AGM	The Gateway Hotel, Residency Road, Bengaluru-560025	August 19, 2015, 4.00 pm	Approval of payment of revised remuneration to Mr. Aditya M Gokarn, Managing Director of the Company.

No Postal Ballot was conducted during the financial year 2015-16.

## Disclosures

- 1. Related party Transactions:** During the year under review, besides the transactions reported in Note 33 forming part of the financial statements for the year ended March 31, 2016 in the Annual Report, there were no other material related party transactions of the Company with its Promoters, Directors or the Management or their relatives and subsidiaries and associates. These transactions do not have any potential conflict with the interest of the Company at large. The detailed information on related party transactions is in AOC-2 attached to the Board's Report. The Company has formulated a policy on dealing with Related Party Transactions and has been posted on its website and available at the web link: [www.tritonvalves.com](http://www.tritonvalves.com).
- 2. Details of Non-Compliance:** There has been no instance of non-compliance on any matter as regards the rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.
- 3. Whistle Blower Policy/Vigil Mechanism:** The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company. The disclosure reported are addressed in the manner and within the time frames prescribed in the policy. No person has been denied access to the Audit Committee. Further, the said policy has been posted on the Company's website [www.tritonvalves.com](http://www.tritonvalves.com).
- 4. Accounting Treatment in preparation of Financial Statements:** The guidelines/ accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 133 of the Companies Act, 2013 have been followed in preparation of the financial statements of the Company in all material respects.
- 5. Code of Conduct:** The Company has framed and adopted a Code of Conduct for its Directors and senior management personnel duly approved by the Board. A copy of the said Code of Conduct is available on the website of the Company [www.tritonvalves.com](http://www.tritonvalves.com).

All Board Members and senior management personnel have confirmed compliance with the Code of Conduct for the financial year 2015-16. A declaration to this effect signed by the Managing Director and CEO of the Company is attached.

- 6.** The Company has complied with all mandatory items of the Clause 49 of the Listing Agreement as applicable till November 30, 2015 and SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 from

December 1, 2015 onwards. The Company has executed the fresh agreement with the BSE as required under the newly enacted Listing Regulation.

7. The Company has also complied with the following non-mandatory requirements as specified in Part E of Schedule II SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015:
  - A. **The Board:** The Chairman of the Board does not maintain a Chairman's office at the Company's expense. However, the Company from time to time reimburses the expenses in relation to the Chairman's office in connection with performance of his duties as the Chairman of the Company.
  - B. **Shareholder Rights - Half yearly results:** The Company's quarterly results are published in the newspapers namely Business Standard (English) and Samyukta Karnataka (Kannada) and are further posted on the Company's website
  - C. **Audit Qualification:** There are no qualifications contained in the Audit Report.
  - D. **Separate Posts of Chairman and CEO/Managing Director:** The Posts of Chairman and Managing Director are separate.
  - E. **Reporting of Internal Auditors:** The Internal Auditors of the Company report to the Audit Committee and make detailed presentation at quarterly meetings.
8. **Web Links:** The Company has no subsidiary and hence there is no need to frame any policy for determining "material" subsidiary.
9. The Company is not dealing in commodity and hence disclosure relating to commodity price risks and commodity hedging activities.
10. There is no Non-Compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of the Part C of Schedule V of the Listing Regulations.

#### Means of Communication:

**Quarterly results:** Quarterly results are published in one English daily, Business Standard and in one Kannada daily, Samyukta Karnataka and are further posted on the Company's website - [www.tritonvalves.com](http://www.tritonvalves.com) and been sent to the Stock Exchange.

**Presentations to institutional investors / analysts:** Presentations made to the institutional investors and analysts after the declaration of the quarterly, half yearly and annual results are displayed on the Company's website - [www.tritonvalves.com](http://www.tritonvalves.com) and been sent to the Stock Exchange.

**Website:** The Company's website - [www.tritonvalves.com](http://www.tritonvalves.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available.

**BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

#### Management Discussion and Analysis

The Management Discussion and Analysis is attached to the Board's Report and is a part of this Annual Report.

#### Auditors' Certification on Corporate Governance

Compliance certificate from the auditors regarding compliance of conditions of corporate governance is attached is attached to the Board's Report and is a part of this Annual Report.

#### Secretarial Audit for Reconciliation of Capital:

Secretarial Audits were carried out periodically by a qualified Practising Company Secretary for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services

(India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors.

**General Shareholders' Information:**

1.	Date, Time & Venue of AGM	The Fortieth Annual General Meeting (AGM) of the Members of Triton Valves Limited will be held on August 5, 2016, at The Gateway Hotel, Residency Road, Bengaluru-560025 at 4.00 P.M.
2.	Financial Year	1st April to 31st March each year
3.	Dividend Payment Date	within 30 days from the date of AGM
4.	Listing details	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 The Annual Listing Fee has been paid for the FY 2016-17.
5.	Stock Code	505978
6.	Dates of Book closure	July 30, 2016 to August 5, 2016 (both days inclusive)
7.	Registrar & Transfer Agents	Canbank Computer Services Limited, 218, J. P. Royale, 1st Floor, 2nd Main, Sampige Road, Malleswaram, Bengaluru - 560 003 P: +91 80 23469661/62/64/65; F: +91 80 23469667 E: canbankrta@ccsl.co.in
8.	Investor correspondence	For any shareholder and investor related query or assistance, please contact: <b>Mr. V Sridhar</b> - Chief Financial Officer Sunrise Chambers, 22, Ulsoor Road, Bengaluru - 560 042 Phone No.: +91 80 25588965/66; Fax No.: +91 80 25586483 Email: investors@tritonvalves.com <b>Ms. Apoorva G</b> - Company Secretary and Compliance Officer Sunrise Chambers, 22, Ulsoor Road, Bengaluru - 560 042 Phone No.: +91 80 25588965/66; Fax No.: +91 80 25586483 Email: investors@tritonvalves.com

**Stock Market Price Data (BSE)**

Triton Valves Share Price			BSE SENSEX	
Month	High	Low	High	Low
Apr-15	1,090	735.5	29,094.61	26,897.54
May-15	1,064	836	28,071.16	26,423.99
June-15	1,060	912.25	27,968.75	26,307.07
July-15	1,133.75	960	28,578.33	27,416.39
Aug-15	1,198	910	28,417.59	25,298.42
Sept-15	988	875	26,471.82	24,833.54
Oct-15	980	880	27,618.14	26,168.71
Nov-15	1,025	860	26,824.3	25,451.42
Dec-15	1,198	930.25	26,256.42	24,867.73
Jan-16	1,174	923.25	26,197.27	23,839.76
Feb-16	993	815	25,002.32	22,494.61
Mar-16	940	823	25,479.62	23,133.18

### Distribution of Shareholding as on March 31, 2016

No. of Equity Shares Held	No. of Shares held	% To total number of Shares	No. of Shareholders	% To total number of Shareholders
1-500	2,42,866	24.53	5,614	98.01
501-1000	34,799	3.51	50	0.87
1001-5000	85,634	8.65	45	0.79
5001-10000	59,392	6.00	9	0.16
10001 & above	5,67,336	57.31	10	0.17
<b>Total</b>	<b>9,90,027</b>	<b>100.00</b>	<b>5,728</b>	<b>100.00</b>

### Shareholding Pattern as on March 31, 2016

Category	No. of Share holders	No. of Shares held	% of Shareholding
Promoter and Promoter group	9	5,00,004	50.50
Mutual Funds	4	38,362	3.88
Financial Institutions /Banks	0	0	0.00
Foreign Institutional Investors	0	0	0.00
Bodies Corporate	120	24,176	2.44
Individuals	5,334	4,10,385	41.45
Foreign Nationals	0	0	0.00
HUF	218	12,530	1.27
Clearing Members	5	93	0.01
Non Resident Indians	38	4,477	0.45
<b>Total</b>	<b>5,728</b>	<b>9,90,027</b>	<b>100.00</b>

As on March 31, 2016, 9,45,981 shares (95.55%) of the Company's Equity Capital was held in dematerialised form with NSDL and CDSL and 44,046 shares (4.44%) in physical form. Trading in equity shares of the Company is permitted only in dematerialised form.

#### CONTACT INFORMATION

Registered and Corporate Office:

Triton Valves Limited

Sunrise Chambers

22, Ulsoor Road, Bengaluru - 560 042

P: +91 80 25588965/66; F: +91 80 25586483

W: [www.tritonvalves.com](http://www.tritonvalves.com); E: [investors@tritonvalves.com](mailto:investors@tritonvalves.com)

CIN: L25119KA1975PLC002867

#### Factory

Mercara Road, Belavadi

Mysore - 570 018

#### Warehouse

c/o 3T Logistics, 2315/23

Opposite Payal Cinema, Behind Karim Restaurant

Old Delhi - Gurgaon Road, Gurgaon - 122001

#### Share Transfer system

The transfer/transmission of shares in physical form is normally processed and completed within 15 days from the date of receipt of request. In the case of shares in electronic form, the transfers are processed by National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) through the respective Depository Participants within 15 days. A Practising Company Secretary undertakes the audit and review of the process from time to time as per the applicable laws.



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

I hereby confirm that the Company has in received from its Board members as well as senior management personnel affirmation as to compliance with the Code of Conduct for the Financial Year 2015-2016.

**(Aditya M. Gokarn)**  
Managing Director

Place: Bengaluru  
Date: May 20, 2016

### **CEO and CFO Certification** (Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

To  
The Board of Directors,  
Triton Valves Limited

We, Aditya M Gokarn, Managing Director and V. Sridhar , Chief Financial Officer of Triton Valves Limited, to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the listed entity during the year are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
  - (1) there has not been any significant changes in internal control over financial reporting during the year;
  - (2) there has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) we are not aware of any instances of significant fraud of which they have become aware and the involvement therein, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**V. Sridhar**  
Chief Financial Officer

**Aditya M. Gokarn**  
Managing Director

Place: Bengaluru  
Date: May 20, 2016

## Independent Auditors' Certificate On Corporate Governance

To  
The Members of Triton Valves Limited

1. We have examined the compliance of conditions of Corporate Governance by Triton Valves Limited (“the Company”), for the year ended on March 31, 2016, as stipulated in:
  - Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges) for the period April 1, 2015 to November 30, 2015.
  - Clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges for the period April 1, 2015 to September 1, 2015.
  - Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016 and
  - Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the 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.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place: Bengaluru  
Date: May 20, 2016

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

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF TRITON VALVES LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **Triton Valves Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view 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 the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2016, of its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure “A”, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in “Annexure B” and
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Notes 27 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

G. Srinivas  
Partner  
Membership No.086761

Place: Bengaluru  
Date: May 20 , 2016

**Annexure “A” to Independent Auditors’ Report of Triton Valves Limited.**

(i) In respect of the Company’s Fixed Assets:

- (a) As per the information and explanation provided to us the company has maintained proper records showing full particulars, including quantitative and situation of fixed assets.
  - (b) The company has a regular programme of physical verification of its fixed assets every year. In accordance with the programme, the management has conducted physical verification of fixed assets during the year and no material discrepancies noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to size and nature of the company and nature of its assets.
  - (c) According to information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- (ii) The company has conducted physical verification of Inventories at reasonable intervals and any material discrepancies noticed have been properly dealt in the books and accounts.
- (iii) The Company has not granted any loans, secured or unsecured, to any company, firm, to any Limited Liability Partnership Firm or other parties listed in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’). Accordingly clauses (iii) (a) to (iii) (c) of paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) Based on our examination and according to the information and explanation given to us, there are no loans, investments, guarantees, and security given by the company that have been covered u/s 185 and 186 of the companies Act, 2013. Accordingly, clause (iv) of paragraph 3 of the order is not applicable to the company.
- (v) The company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the products manufactured by the Company and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)(a) According to the information and explanations given to us and according to the records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including Income Tax, Sales 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, 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, and Cess which have not been deposited on account of dispute except the following.

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (In Rupees)
Income Tax Act	Income Tax	Income Tax appellate Tribunal (Bengaluru)	AY 2010-11	23,27,115/-

- (viii) According to the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank. The Company did not have any outstanding dues in respect of debenture holders during the year.

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and according to the information and explanations given by the management and on an overall examination of the balance sheet, we report term loans were applied for the purposes for which those were raised.
- (x) According to information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of the audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, we report that managerial remuneration has been paid /provided in accordance with the provisions of Sec 197 read with Schedule V to the Companies Act,2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

G. Srinivas  
Partner  
Membership No.086761

Place: Bengaluru  
Date: May 20 , 2016

## **“Annexure - B” to the Independent Auditors’ Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Triton Valves Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of

unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

G. Srinivas  
Partner  
Membership No.086761

Place: Bengaluru  
Date: May 20 , 2016



**BALANCE SHEET AS AT 31ST MARCH 2016**

(Amount in Rupees)

Particulars	Notes	(Amount in Rupees)	
		As at 31st March 2016	As at 31st March 2015
<b>I. Equity and Liabilities</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	3	9,900,270	9,900,270
(b) Reserves and surplus	4	561,189,922	505,701,835
		571,090,192	515,602,105
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	5	127,800,664	45,570,428
(b) Deferred tax liability (net)	6	27,875,134	32,588,595
(c) Other long-term liabilities	7	195,000	195,000
(d) Long-term provisions	8	14,205,672	10,787,530
		170,076,470	89,141,553
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	9	413,504,146	376,494,197
(b) Trade Payables	10	64,897,414	103,523,127
(c) Other current liabilities	11	44,790,569	84,495,015
(d) Short-term provisions	8	33,533,842	35,479,229
		556,725,972	599,991,568
<b>TOTAL</b>		<b>1,297,892,634</b>	<b>1,204,735,226</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	600,625,828	555,786,259
(ii) Intangible assets	13	1,420,080	1,035,628
(iii) Capital work-in-progress	12	32,084,261	10,577,593
(b) Non-current investments	14	73,012	73,012
(c) Long-term loans and advances	15	31,859,810	17,422,420
		666,062,991	584,894,912
<b>(2) Current assets</b>			
(a) Inventories	17	236,105,502	258,637,415
(b) Trade receivables	16	352,321,783	325,030,169
(c) Cash and Bank Balances	18	1,122,625	1,594,839
(d) Short-term loans and advances	15	42,279,733	34,577,890
		631,829,643	619,840,314
<b>TOTAL</b>		<b>1,297,892,634</b>	<b>1,204,735,226</b>

Summary of significant accounting policies 2.1

The accompanying notes from 1 to 37 are an integral part of the financial statements.

As per our report of even date

**For Brahmayya & Co.,**  
Chartered Accountants  
ICAI Firm registration number: 0005155

**G. Srinivas**  
Partner  
Membership no.: 086761

Place: Bengaluru  
Date: 20th May 2016.

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

**S.K.Welling**  
Chairman  
DIN: 00050943

**V.Sridhar**  
Chief Financial Officer

**Aditya M. Gokarn**  
Managing Director  
DIN: 00185458

**Apoorva.G**  
Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016**
*(Amount in Rupees)*

Particulars	Notes	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>I. Income</b>			
(a) Revenue from operations	19	1,841,869,957	1,880,379,301
Less Excise Duty		187,497,562	185,360,470
Net Revenue from Operations		1,654,372,395	1,695,018,831
(b) Other income	20	1,535,404	3,290,909
<b>Total revenue (i)</b>		<b>1,655,907,799</b>	<b>1,698,309,740</b>
<b>II. Expenses</b>			
(a) Cost of materials consumed	21	966,565,927	1,056,594,450
(b) Changes in inventories of finished goods, work-in-progress.	22	13,130,250	(13,113,352)
(c) Employee benefit expenses	23	223,688,859	194,430,183
(d) Other expenses	24	237,814,026	217,060,434
<b>Total (ii)</b>		<b>1,441,199,062</b>	<b>1,454,971,715</b>
<b>III. Earnings before interest, tax, depreciation and amortization (EBITDA) [(i) - (ii)]</b>		<b>214,708,737</b>	<b>243,338,025</b>
<b>IV. Depreciation and amortization expense</b>	25	77,374,218	79,672,237
<b>V. Finance costs</b>	26	49,631,986	65,819,013
<b>VI. Profit / (Loss) before tax (III-IV-V)</b>		<b>87,702,533</b>	<b>97,846,776</b>
<b>VII. Tax expenses</b>			
Current tax		20,942,914	31,742,563
Deferred tax		(4,713,460)	(10,366,217)
Tax for Earlier Years		1,753,497	2,398,893
<b>Total tax expense</b>		<b>17,982,951</b>	<b>23,775,239</b>
<b>VIII. Profit/(loss) for the year (VI-VII)</b>		<b>69,719,582</b>	<b>74,071,537</b>
<b>IX. Earnings per equity share [nominal value of share Rs.10/- (31st March 2016: Rs.10/-)]</b>			
Basic and Diluted		<b>70.42</b>	<b>74.82</b>
Summary of significant accounting policies	2.1		

The accompanying notes from 1 to 37 are an integral part of the financial statements.

As per our report of even date

**For Brahmayya & Co.,**  
Chartered Accountants  
ICAI Firm registration number: 0005155

**G. Srinivas**  
Partner  
Membership no.: 086761

Place: Bengaluru  
Date: 20th May 2016.

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

**S.K.Welling**  
Chairman  
DIN: 00050943

**V.Sridhar**  
Chief Financial Officer

**Aditya M. Gokarn**  
Managing Director  
DIN: 00185458

**Apoorva.G**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

(Amount in Rupees)

Particulars	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>Cash flow from operating activities</b>			
Profit before tax		87,702,533	97,846,775
Depreciation/ amortization on continuing operation		77,374,218	79,672,237
Interest Income		(555,353)	(460,511)
Dividend income		(21,106)	(5,376)
Loss/ (profit) on sale of fixed assets		(150,000)	(260,955)
Sundry creditors (Written Back)/Written off		72,381	(146,573)
Finance costs		49,631,986	65,819,013
<b>Operating profit before working capital changes</b>		<b>214,054,658</b>	<b>242,464,610</b>
Movements in working capital :			
Increase/ (decrease) in trade payables		(38,553,332)	(27,249,946)
Increase/ (decrease) in other current liabilities		(6,533,204)	7,090,445
Decrease/ (increase) in trade receivables		(27,291,614)	26,332,345
Decrease / (increase) in inventories		22,531,914	(10,095,694)
Decrease / (increase) long term loans and advances		(10,798,691)	242,975
Decrease / (increase) short term loans and advances		(6,944,956)	(13,948,947)
Increase / (decrease) in Long-term provisions		14,205,672	-
Increase / (decrease) in short-term provisions		(10,339,668)	10,130,806
Cash generated from / (used in) operations		150,330,780	234,966,595
Direct taxes paid (net of refunds)		(22,696,411)	(26,275,626)
<b>Net cash flow from/ (used in) operating activities (A)</b>		<b>127,634,368</b>	<b>208,690,970</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets, including CWIP and capital advances		(147,273,018)	(31,599,401)
Proceeds from sale of fixed assets		150,000	676,825
Interest received		555,353	460,511
Dividends received		21,106	5,376
<b>Net cash flow from/ (used in) investing activities (B)</b>		<b>(146,546,559)</b>	<b>(30,456,689)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long-term borrowings		100,000,000	-
Repayment of long-term borrowings		(58,503,891)	(83,520,123)
Proceeds from short-term borrowings		37,009,949	(22,950,460)
Proceeds from Long term borrowings(Loan from related Party)		4,000,000	4,000,000

Interest paid		(49,631,986)	(65,819,013)
Dividends paid on equity shares		(11,880,324)	(7,920,216)
Tax on equity dividend paid		(2,553,772)	(1,346,041)
<b>Net cash flow from/ (used in) in financing activities (C)</b>		<b>18,439,976</b>	<b>(177,555,853)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>		<b>(472,214)</b>	<b>678,429</b>
Cash and cash equivalents at the beginning of the year		1,594,839	916,410
<b>Cash and cash equivalents at the end of the year</b>		<b>1,122,625</b>	<b>1,594,839</b>
<b>Components of cash and cash equivalents</b>			
Cash on hand		110,004	128,892
With banks- on current account		92,091	731,799
- unpaid dividend accounts		920,531	734,148
<b>Total cash and cash equivalents</b>	18	<b>1,122,625</b>	<b>1,594,839</b>
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

**G. Srinivas**  
Partner  
Membership no.: 086761

Place: Bengaluru  
Date: 20th May 2016.

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

**S.K.Welling**  
Chairman  
DIN: 00050943

**V.Sridhar**  
Chief Financial Officer

**Aditya M. Gokarn**  
Managing Director  
DIN: 00185458

**Apoorva.G**  
Company Secretary

## Notes forming part of the Financial Statements

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### 1. Company overview

Triton Valves Limited ('the Company') was incorporated on 10th September 1975 as a Limited Company with its Registered office at Bengaluru. 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

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### 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.
- (ii) Depreciation on the tangible fixed assets is provided on straight line method at the rates based on the estimated useful lives of the asset.
- (iii) Pursuant to the enactment of the Companies Act 2013, the company has reviewed and revised the estimated useful life of fixed assets, generally in accordance with the provision of Schedule II of the Act or as assessed by the management, except for assets individually costing less than Rs. 5,000, which are fully Depreciated in the year of acquisition. Useful lives of the assets are determined by the management based on the historical experience with similar assets as well as anticipation of future events, which may impact their life, such as change in technology and technical assessment of the assets.

## Notes forming part of the Financial Statements

The management estimates the useful lives as follows

Buildings	30 years
Plant and Machinery	10-15 Years
Computer Equipment	3-6 Years
Office Equipment	5 Years
Vehicles	10 Years
Furniture and Fixtures	10 years

### 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.

### 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 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.

## Notes forming part of the Financial Statements

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- (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.

### **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) Leave 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

## Notes forming part of the Financial Statements

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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.

**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 2016	As at 31st March 2015
<b>3. SHARE CAPITAL</b>		
<b>(a) Authorized Shares (Nos.)</b>		
5,000,000 (March 31, 2015: 5,000,000) Equity Shares of Rs. 10 each	50,000,000	50,000,000
<b>(b) Issued, subscribed and fully paid-up shares (Nos.)</b>		
990,027 (March 31, 2015: 990,027) Equity Shares of Rs.10 each Fully Paid up	9,900,270	9,900,270
Total issued, subscribed and fully paid-up share capital	<b>9,900,270</b>	<b>9,900,270</b>
<b>(c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>		

	As at 31st March 2016		As at 31st March 2015	
	Nos.	Amount	Nos.	Amount
Equity Shares				
At the beginning of the period	990,027	9,900,270	990,027	9,900,270
Outstanding at the end of the period	990,027	9,900,270	990,027	9,900,270

**(d) Terms/ rights attached to Equity Shares**

- 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.
- 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 2016		As at 31st March 2015	
	Nos.	% Holding	Nos.	% Holding
Equity shares of Rs.10/- each fully paid				
Anuradha Maruti Gokarn	280,041	28.29%	280,041	28.29%
Mrs.Nirmala Murthy	112,506	11.36%	112,506	11.36%
K Raghunath Shenoy	54,000	5.45%	54,000	5.45%

Notes forming part of the Financial Statements

			(Amount in Rupees)	
			As at	As at
			31st March 2016	31st March 2015
<b>4. RESERVES AND SURPLUS</b>				
Securities premium account			14,940,000	14,940,000
			<b>14,940,000</b>	<b>14,940,000</b>
<b>GENERAL RESERVE</b>				
Balance as per the last financial statements			425,934,020	419,961,144
Add: Transfer from the Statement of Profit & Loss			30,000,000	30,000,000
Less: Change in Deprecation Method Due to Companies Act 2013			-	24,027,124
Closing Balance			<b>455,934,020</b>	<b>425,934,020</b>
<b>Surplus/ (Deficit) in the statement of profit and loss</b>				
Balance as per last financial statements			64,827,814	35,183,684
Add: Profit for the year			69,719,582	74,071,536
			<b>134,547,396</b>	<b>109,255,220</b>
<b>Less: Appropriations</b>				
Proposed Dividend			11,880,324	11,880,324
Tax on dividend			2,351,170	2,547,082
General Reserve			30,000,000	30,000,000
<b>Total appropriations</b>			<b>44,231,494</b>	<b>44,427,406</b>
<b>Net Surplus / (Deficit) in the Statement of Profit and Loss</b>			<b>90,315,902</b>	<b>64,827,814</b>
<b>Total Reserves and Surplus</b>			<b>561,189,922</b>	<b>505,701,834</b>

	Non-current		Current maturities	
	As at	As at	As at	As at
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
<b>5. LONG-TERM BORROWINGS</b>				
<b>Term Loans</b>				
From banks				
Indian Rupee loans	87,800,664	9,570,428	21,769,764	37,270,557
Foreign currency loans	-	-	-	21,233,333
<b>Loans &amp; Advances from the related parties</b>				
Loan from Directors	40,000,000	36,000,000	-	-
	<b>127,800,664</b>	<b>45,570,428</b>	<b>21,769,764</b>	<b>58,503,890</b>
<b>The above amount includes</b>				
Secured borrowings	87,800,664	9,570,428	21,769,764	58,503,890
Unsecured borrowings	40,000,000	36,000,000	-	-
Amount disclosed under the head other current liabilities (note 11)	-	-	(21,769,764)	(58,503,890)
<b>Net amount</b>	<b>127,800,664</b>	<b>45,570,428</b>	<b>-</b>	<b>-</b>

- i. Indian Rupee Term Loans from Banks (secured) consist of ;
- Term Loan from HDFC Bank carrying interest rate @ 10.60% p.a. and repayable in 48 equated monthly installments beginning from September 18, 2016.”
- Term Loan from Kotak Mahindra Bank carrying interest rate PLR minus 2.65 p.a. and repayable in 50 equated monthly installments beginning from June, 2013.
- 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

Notes forming part of the Financial Statements

- Office and Company Flat at Bengaluru,  
 (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 Bengaluru,  
 (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 @ 10.50% and the Loan is repayable after 31st March, 2017

(Amount in Rupees)

	As at 31st March 2016	As at 31st March 2015		
<b>6. DEFERRED TAX LIABILITY (NET)</b>				
<b>Deferred tax liability</b>				
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	34,264,408	38,135,563		
<b>Gross deferred tax liability</b>	<b>34,264,408</b>	<b>38,135,563</b>		
<b>Deferred tax Asset</b>				
Employee Benefits	6,389,274	5,546,968		
<b>Gross deferred tax asset</b>	<b>6,389,274</b>	<b>5,546,968</b>		
<b>Net Deferred Tax Liability</b>	<b>27,875,134</b>	<b>32,588,595</b>		
	As at 31st March 2016	As at 31st March 2015		
<b>7. OTHER LONG-TERM LIABILITIES</b>				
Dealer Deposits(Interest Free)	45,000	45,000		
Others	150,000	150,000		
	<b>195,000</b>	<b>195,000</b>		
	As at 31st March 2016	As at 31st March 2015		
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
<b>8. PROVISIONS</b>				
<b>Provision for Employee benefits</b>				
Provision for gratuity	13,116,451	10,211,530	4,096,931	2,158,603
Provision for leave benefits	1,089,221	576,000	1,021,941	487,336
Provision for other employee benefits	-	-	14,116,092	13,880,268
	<b>14,205,672</b>	<b>10,787,530</b>	<b>19,234,964</b>	<b>16,526,207</b>
<b>Other Provision</b>				
Provision for equity dividend	-	-	11,880,324	11,880,324
Provision for tax on proposed equity dividend	-	-	2,418,554	2,485,938
Provision for tax (net off Advance Tax and Mat Credit)	-	-	-	4,586,760
	-	-	<b>14,298,878</b>	<b>18,953,022</b>
	<b>14,205,672</b>	<b>10,787,530</b>	<b>33,533,842</b>	<b>35,479,229</b>

Notes forming part of the Financial Statements

	(Amount in Rupees)	
	As at 31st March 2016	As at 31st March 2015
<b>9. SHORT-TERM BORROWINGS</b>		
(i) Cash credit from banks	413,504,146	376,494,197
	<b>413,504,146</b>	<b>376,494,197</b>
<b>The above amount includes</b>		
Secured borrowings	413,504,146	376,494,197
Unsecured borrowings	-	-

Cash credit from banks carry interest rate @ 10.50% - 10.75 % 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 Bengaluru,
- (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 Bengaluru.
- (d) further secured by personal guarantee of the Managing Director.

	As at 31st March 2016	As at 31st March 2015
<b>10. TRADE PAYABLES</b>		
Trade payable		
- dues to enterprises covered under MSMED Act, 2006 (refer Note No.28)	5,878,553	6,546,884
- Others	59,018,861	96,976,243
	<b>64,897,414</b>	<b>103,523,127</b>

	As at 31st March 2016	As at 31st March 2015
<b>11. OTHER LIABILITIES</b>		
Current maturities of long-term borrowings (note 5)	21,769,764	58,503,890
Unpaid dividend	915,034	728,440
<b>Others</b>		
Capital Creditor	-	796,059
Statutory dues	9,920,928	11,514,073
Others	12,184,843	12,952,553
	<b>44,790,569</b>	<b>84,495,015</b>

Notes forming part of the Financial Statements

	(Amount In Rupees)										
	Land	Buildings	Plant and Machinery	Computer Equipments	Office Equipments	Vehicles	Furniture & Fixtures	TOTAL	Intangible Assets	Total	
<b>12</b>	<b>Tangible assets</b>										
Cost or valuation											
At April 1, 2014	15,037,330	298,287,821	682,424,640	12,617,153	4,465,512	4,717,576	17,557,979	1,035,108,011	1,796,979	1,796,979	
Additions	-	8,745,330	7,088,459	531,098	369,772	1,160,984	-	17,895,593	60,000	60,000	
Disposals	-	-	2,382,878	-	-	509,078	-	2,891,956	-	-	
AS - 11 adjustments	-	-	-	-	-	-	-	-	-	-	
Borrowing cost adjustments	-	-	-	-	-	-	-	-	-	-	
At March 31, 2015	15,037,330	307,033,151	687,130,221	13,148,251	4,835,234	5,369,483	17,557,979	1,050,111,649	1,856,979	1,856,979	
Additions	-	25,220,754	94,405,991	794,718	509,095	-	865,446	121,796,004	802,235	802,235	
Disposals	-	-	-	-	-	1,040,883	-	1,040,883	-	-	
Borrowing cost adjustments	-	-	-	-	-	-	-	-	-	-	
At Mar 31, 2016	15,037,330	332,253,905	781,536,212	13,942,969	5,344,329	4,328,600	18,423,425	1,170,866,769	2,659,214	2,659,214	
<b>Depreciation</b>											
At April 1, 2014	-	43,824,070	326,684,767	10,849,897	1,444,676	2,685,080	7,932,530	393,421,020	502,444	502,444	
Charge for the year	-	13,973,055	61,339,480	912,100	684,390	391,947	2,052,359	79,353,331	318,907	318,907	
Adjustments*	-	4,078,404	17,897,877	454,789	2,062,715	-338,710	-127,951	24,027,124	-	-	
Disposals	-	-	1,967,008	-	-	509,078	-	2,476,086	-	-	
At March 31, 2015	-	61,875,529	403,955,116	12,216,786	4,191,781	2,229,240	9,856,938	494,325,390	821,351	821,351	
Charge for the year	-	13,842,707	59,320,025	550,013	428,151	529,535	2,286,005	76,956,436	417,783	417,783	
Adjustments*	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	1,040,883	-	1,040,883	-	-	
At Mar 31, 2016	-	75,718,236	463,275,141	12,766,799	4,619,932	1,717,891	12,142,943	570,240,943	1,239,134	1,239,134	
Net Block At	15,037,330	245,157,622	283,175,105	931,465	643,453	3,140,243	7,701,041	555,786,259	1,035,628	1,035,628	
March 31, 2015											
At March 31, 2016	15,037,330	256,535,669	318,261,071	1,176,170	724,397	2,610,708	6,280,482	600,625,827	1,420,080	1,420,080	

	As at March 31, 2015	Additions	Deletions	Capitalisation	As at March 31, 2016
<b>13</b>	10,577,593	139,228,926	107,988	117,614,269	32,084,261
<b>Work-in-progress</b>	<b>10,577,593</b>	<b>139,228,926</b>	<b>107,988</b>	<b>117,614,269</b>	<b>32,084,261</b>

Notes forming part of the Financial Statements

(Amount in Rupees)

Name of The Company	Number of Shares as at 31st March 2016	Number of Shares as at 31st March 2015	Face Value Per Share	Market value per share as on 31st March 2016	As at 31st March 2016	As at 31st March 2015
<b>14 NON-TRADE INVESTMENTS (Valued at Cost unless stated otherwise)</b>						
Investment in Equity instruments (traded - quoted)						
Apollo Tyres Ltd	500	500	1.00	174.90	2,762	2,762
T.V.S. Srichakra Tyre Ltd	100	100	10.00	2,310.25	1,975	1,975
MRF Ltd	50	50	10.00	38,296.75	12,850	12,850
J.K.Tyre & Industries Ltd	300	300	2.00	84.20	4,504	4,504
Ceat Limited	37	37	10.00	1,086.65	3,983	3,983
Goodyear India Ltd	200	200	10.00	480.70	9,850	9,850
Govind Rubber Ltd	200	200	10.00	15.98	1,750	1,750
Modi Rubber Ltd	50	50	10.00	44.35	2,800	2,800
ICICI Bank Ltd	2040	2040	2.00	236.65	22,200	22,200
Investment in Equity instruments (traded - unquoted)						
Dewan Tyres Ltd.	100	100	10.00	-	1,355	1,355
Bombay Tyres International Ltd	50	50	10.00	-	1,490	1,490
Dunlop India Ltd	100	100	10.00	-	6,500	6,500
Investment in Equity instruments (non-trade - quoted)						
Bengal & Assam Company Ltd.	4	4	10.00	475.10	106	106
J.K.Agri Genetics Limited	3	3	10.00	381.10	199	199
Summit Securities Limited	2	2	10.00	288.05	120	120
Dhampur Sugar Mills limited	1	1	10.00	93.05	435	435
Florence Investech Limited	2	2	10.00	317.50	133	133
					<b>73,012</b>	<b>73,012</b>

(Aggregate Market value of quoted equity shares is Rs.28,87,446/- (Previous year Rs.29,92,923/-))

	Non-current		Current	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
<b>15. LOANS AND ADVANCES</b>				
Capital Advances				
Unsecured, considered good	15,179,363	12,020,796	-	-
(A)	<b>15,179,363</b>	<b>12,020,796</b>	-	-
Security Deposit				
Unsecured, considered good	5,588,787	5,401,624	9,296,141	5,203,282
(B)	<b>5,588,787</b>	<b>5,401,624</b>	<b>9,296,141</b>	<b>5,203,282</b>
Other Loans and Advances				
Advance Income-tax (net of provision for taxation)	11,091,660	-	-	-
Mat Credit Entitlement	-	-	-	3,878,035
Advances to Suppliers	-	-	12,852,649	6,626,287
Prepaid expenses	-	-	2,869,162	2,843,891
Loans to employees	-	-	1,928,127	2,325,710
Balances with statutory / government authorities	-	-	15,104,265	13,086,334
Others	-	-	229,389	614,351
(C)	<b>11,091,660</b>	-	<b>32,983,592</b>	<b>29,374,608</b>
<b>Total (A+B+C)</b>	<b>31,859,810</b>	<b>17,422,420</b>	<b>42,279,733</b>	<b>34,577,890</b>

Notes forming part of the Financial Statements

16. TRADE RECEIVABLES AND OTTHER ASSETS		<i>(Amount in Rupees)</i>	
		Current	
		As at 31st March 2016	As at 31st March 2015
<b>16.1 Trade Receivable</b>			
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good		30,134,749	48,913,159
	(A)	<b>30,134,749</b>	<b>48,913,159</b>
Other Receivables			
Unsecured, considered good		322,187,034	276,117,010
	(B)	322,187,034	276,117,010
<b>Total (A+B)</b>		<b>352,321,783</b>	<b>325,030,169</b>

\* The company has sent balance confirmation letters to its customers for the balances as on 31st March, 2016 and company has reconciled the balances to the extent balance confirmations received. However, few major customers have not confirmed the balances. hence those balances are subject to confirmations and reconciliations.

		As at 31st March 2016	As at 31st March 2015
<b>17. INVENTORIES (valued at lower of cost and net realizable value)</b>			
(i) Inventories:			
Raw materials and components		82,754,761	95,140,208
Work-in-progress		59,230,268	66,967,749
Finished goods		47,643,922	53,036,690
Packing Materials		1,328,316	1,564,542
Stores and spares		43,111,655	31,266,514
Stock in hand of CS & FS		2,036,579	10,661,711
		<b>236,105,501</b>	<b>258,637,415</b>

	Non-current		Current	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
<b>18. CASH AND BANK BALANCES</b>				
Balances with Banks:				
On current accounts	-	-	92,091	731,799
Cash on hand	-	-	110,004	128,892
	-	-	<b>202,094</b>	<b>860,691</b>
Other Bank balances				
On Unpaid Dividend Account	-	-	920,531	734,148
	-	-	<b>920,531</b>	<b>734,148</b>
Amount disclosed under non-current assets (note 15.2)	-	-	-	-
<b>Total</b>	-	-	<b>1,122,625</b>	<b>1,594,839</b>

		For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
<b>19. REVENUE FROM OPERATIONS</b>			
Sale of products		1,674,542,118	1,733,689,358
Other operating Income		167,327,839	146,689,943
		<b>1,841,869,957</b>	<b>1,880,379,301</b>
Less :Excise Duty Paid		187,497,562	185,360,470
Revenue from operations		<b>1,654,372,395</b>	<b>1,695,018,831</b>

Notes forming part of the Financial Statements

<i>(Amount in Rupees)</i>		
	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
<b>20. OTHER INCOME</b>		
Interest Received	555,353	460,511
Dividend income on Long-term investments	21,106	5,376
Gain on account of foreign exchange fluctuations (net)	-	2,085,717
Profit on sale of fixed assets (net) (Including CWIP)	150,000	260,955
Creditors written back	-	146,573
Export Incentive Received	449,623	-
Rent Received	277,200	277,200
Other non-operating income	82,122	54,577
	<b>1,535,404</b>	<b>3,290,909</b>
	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
<b>21. DETAIL OF RAW MATERIAL CONSUMED</b>		
<b>Brass:</b>		
Opening Stock	70,346,308	79,416,275
Add: Purchases during the year	809,919,149	871,069,325
Closing Stock	46,567,015	70,346,308
	<b>(A) 833,698,442</b>	<b>880,139,292</b>
<b>Rubber:</b>		
Opening Stock	15,636,087	11,500,825
Add: Purchases during the year	85,069,685	127,947,457
Closing Stock	27,464,940	15,636,087
	<b>(B) 73,240,831</b>	<b>123,812,195</b>
<b>Others:</b>		
Opening Stock	9,157,814	7,528,527
Add: Purchases during the year	59,191,644	54,272,250
Closing Stock	8,722,806	9,157,814
	<b>(C) 59,626,653</b>	<b>52,642,963</b>
<b>Total Raw material Consumed(A+B+C)</b>	<b>966,565,927</b>	<b>1,056,594,450</b>
	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
<b>22. (INCREASE)/ DECREASE IN INVENTORIES</b>		
Inventories at the end of the year		
Work-in-progress	59,230,268	66,967,749
Finished goods	47,643,922	53,036,690
	<b>106,874,190</b>	<b>120,004,439</b>
Inventories at the beginning of the year		
Work-in-progress	66,967,749	72,677,969
Finished goods	53,036,690	34,213,118
	<b>120,004,439</b>	<b>106,891,087</b>
	<b>13,130,250</b>	<b>(13,113,352)</b>



Notes forming part of the Financial Statements

	<i>(Amount in Rupees)</i>	
	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
<b>23. EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, wages and bonus	186,421,905	161,921,243
Contribution to provident and other fund	9,826,885	8,284,211
Gratuity, Leave Encashment and Superannuation expenses	10,547,849	5,692,664
Staff welfare expenses	10,336,094	12,034,543
Directors Remuneration-MD	6,556,126	6,497,522
	<b>223,688,859</b>	<b>194,430,183</b>
	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
<b>24. OTHER EXPENSES</b>		
<b>Administrative Expenses</b>		
Electricity and water charges	36,449,721	36,822,388
Other manufacturing Expenses	31,187,748	26,566,612
Carriage Inwards	4,789,949	4,122,310
Rent	893,476	708,282
Rates and taxes	2,667,422	680,335
Insurance	2,973,117	2,983,516
<b>Repairs and Maintenance</b>		
Plant and Machinery	705,133	441,148
Buildings	1,001,619	1,072,861
Others	2,146,141	1,601,711
Exchange fluctuation Loss	3,776,799	-
Advertising and sales promotion	9,082,860	5,234,255
Travelling and conveyance	7,316,641	4,574,360
Communication costs	1,054,502	1,179,071
Printing and stationery	2,289,127	2,935,507
Legal and professional fees	7,874,163	6,012,971
Directors' sitting fees	390,000	300,000
Directors' Commission	964,363	1,054,377
Payment to Auditor (Refer details below)	636,287	649,073
Vehicle Maintenance	493,791	483,889
Watch & Ward	3,663,014	3,579,781
Light & Water	177,740	141,177
Packing & Forwarding	35,776,875	34,255,040
Stores & Spares consumed	78,048,032	79,899,957
Donation	40,000	12,000
CSR Expenditure (Refer details below)	1,143,030	-
Miscellaneous expenses	2,272,476	1,749,813
	<b>237,814,026</b>	<b>217,060,434</b>

Notes forming part of the Financial Statements

(Amount in Rupees)

	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
<b>Payment to Auditors</b>		
As Auditor:		
-Statutory Audit Fee	400,000	400,000
-Taxation Matters	100,000	100,000
- Vat Audit Fee	-	50,000
-Reimbursement of expenses	136,287	99,073
	<b>636,287</b>	<b>649,073</b>

**CSR expenditure**

Gross amount required to be spent by the company during the year is Rs.11,38,587/-

**Amount Spent During the Year**

	Paid in Cash	Yet to be paid in Cash	Total
On construction or acquisition of any asset	660,350	-	660,350
On purpose other than above	482,680	-	482,680
<b>Total</b>	<b>1,143,030</b>	-	<b>1,143,030</b>

	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
<b>25. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of Tangible Assets	76,956,436	79,353,331
Amortization of Intangible Assets	417,782	318,907
	<b>77,374,218</b>	<b>79,672,237</b>

	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
<b>26. FINANCE COSTS</b>		
Interest Expenses	44,995,211	61,753,338
Other Borrowing Costs	4,636,775	4,065,675
	<b>49,631,986</b>	<b>65,819,013</b>

	As at 31st March 2016	As at 31st March 2015
<b>27. CONTINGENT LIABILITIES</b>		
a) Letters of Credit outstanding	52,598,417	118,648,961
b) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	26,493,317	37,045,043
c) In respect of Income-tax Matters	2,327,115	2,327,115
d) Bank Guarantee	8,100,000	100,000

Notes forming part of the Financial Statements

**28. Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):**

Based on the information available with the company, there are no Micro, Small and Medium enterprises, to which the company owes dues, which are outstanding for more than 45 days as at 31st March, 2016. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

29. The actuarial value of Gratuity liability As at 31st March 2016 is Rs.3,68,66,911/- (31st March 2015, Rs.2,94,55,318/-) 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 2016**

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, 2016

a) Assumption :	2015-16	2014-15
Discount Rate	7.80%	8.00%
Salary Escalation	9.00%	8.00%

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

Present value of obligation as at beginning of year	29,455,318	27,568,754
Interest Cost	2,249,944	2,128,836
Current Service Cost	3,387,727	3,024,756
Benefits Paid	(1,219,763)	(1,916,596)
Actuarial (gain) / loss on obligation	2,993,685	(1,350,432)
Present value of obligation as at end of year	36,866,911	29,455,318

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

Fair value of plan assets at beginning of year	17,085,185	15,740,969
Expected return on plan assets	1,382,437	1,260,241
Contributions	2,500,000	1,988,867
Benefits Paid	(1,219,763)	(1,916,596)
Actuarial gain / (loss) on Plan assets	(94,329)	11,704
Fair value of plan assets at the end of year	19,653,530	17,085,185

**d) Table showing fair value of Plan Assets :**

Fair value of plan assets at beginning of year	(12,370,133)	(11,827,785)
Actuarial return of plan assets	1,382,437	1,260,241
Contributions	2,500,000	1,988,867
Benefits Paid	(1,219,763)	(1,916,596)
Fair value of plan assets at the end of year	17,085,185	17,085,185
Funded status	(17,213,381)	(12,370,133)

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 :**

Actuarial (gain) / loss on obligations	(2,993,685)	1,350,432
Actuarial (gain) / loss the year - plan assets	-	-
Total (gain) / loss for the year	(2,993,685)	1,350,432
Actuarial (gain) / loss recognised in the year	(2,993,685)	1,350,432

Notes forming part of the Financial Statements

**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	36,866,911	29,455,318
Fair value of plan assets as at the end of the year	19,653,530	17,085,185
Funded status	(17,213,381)	(12,370,133)
Net asset / (liability) recognised in Balance Sheet	(17,213,381)	(12,370,133)

30. The actuarial value of Leave Encashment liability As at 31st March 2016 is Rs.21,11,162/- (31st March 2015, Rs.10,63,336/-) as per the workings under AS15 (Revised) issued by the Institute of Chartered Accountants of India Group Leave Encashment Scheme Report under AS-15 (Revised 2005) for year ended 31st March, 2016

**2015-16                      2014-15**

**1) Assumption :**

Discount Rate	7.80%	8.00%
Salary Escalation	9.00%	8.00%

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

Present value of obligation as at beginning of year	4,912,794	4,438,209
Interest Cost	309,757	354,923
Current Service Cost	1,862,067	1,204,657
Benefits Paid	(1,883,093)	(3,350)
Actuarial (gain) / loss on obligation	(78,260)	(1,081,645)
Present value of obligation as at end of year	5,123,265	4,912,794

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

Fair value of plan assets at beginning of year	3,849,458	2,648,227
Expected return on plan assets	405,751	251,929
Contributions	824,000	1,005,110
Benefits Paid	(1,883,093)	(3,350)
Actuarial gain / (loss) on Plan assets	(184,013)	(52,458)
Fair value of plan assets at the end of year	3,012,103	3,849,458

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

Fair value of plan assets at beginning of year	1,063,336	1,789,982
Actuarial return of plan assets	(1,871,826)	251,929
Contributions	824,000	1,005,110
Benefits Paid	(1,883,093)	(3,350)
Fair value of plan assets at the end of year	3,012,103	3,849,458
Funded status	2,111,162	1,063,336

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	(78,260)	(1,081,645)
Actuarial (gain) / loss the year - plan assets	(184,013)	(52,458)
Total (gain) / loss for the year	(262,273)	(1,134,103)
Actuarial (gain) / loss recognised in the year	(262,273)	(1,134,103)

**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	(5,123,265)	(4,912,794)
Fair value of plan assets as at the end of the year	3,012,103	3,849,458
Funded status	(2,111,162)	(1,063,336)
Net asset / (liability) recognised in Balance Sheet	2,111,162	1,063,336

Notes forming part of the Financial Statements

32. Rs. 18,74,82,955/- of Excise duty paid includes Rs.52,93,769/- (Rs.58,92,966) 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 Suvadhan, 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, 2016	Transactions for the year ended 31 March, 2015
(a) Nature of Transactions: Suvadhan, Bangalore Purchase of Goods & Services (Inclusive of taxes) Rent Received	3,613,213 -	3,334,428 51,348
(b) Interest Paid to directors Aditya M Gokarn Anuradha M Gokarn	109,766 4,081,526	149,020 3,783,557
(b) Loan from Directors Anuradha M Gokarn	4,000,000	4,500,000
(c) Loan Repaid to Directors Aditya M Gokarn	-	500,000
(d) Balance as at March 31, 2016 Payable (i) Mrs.A.Gokarn (ii) Mr.Aditya M. Gokarn (iii) Suvadhan (iv) Managerial Remuneration: (i) Mr.Aditya M. Gokarn	39,000,000 1,000,000 389,460 6,556,126	35,000,000 1,000,000 335,228 6,497,522
	<b>6,556,126</b>	<b>6,497,522</b>

**34. In Calculating Basic and Diluted Earnings per Share:**

	Current Year	Previous Year
(a) Profit after Tax	69,719,582	74,071,536
(b) Number of equity shares	990,027	990,027
Earning per Share- basic and diluted	70.42	74.82

**35.1**

	Current Year Value (Rs.)	Previous Year Value (Rs.)
<b>a) CIF Value of Imports :</b>		
i) Raw Materials	796,030,197	826,899,306
ii) Stores & Spares	6,203,527	5,093,513
iii) Machinery	45,669,930	1,895,687
<b>b) Expenditure in Foreign Currency :</b>		
i) Travelling	2,938,309	1,027,389
<b>Total</b>	<b>850,841,963</b>	<b>834,915,895</b>

Notes forming part of the Financial Statements

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	806,537,281	83	850,172,511	80
Indigenous	160,028,646	17	206,421,939	20
<b>Total</b>	<b>966,565,927</b>	<b>100</b>	<b>1,056,594,450</b>	<b>100</b>
ii) Stores, Spares & Components :				
Imported	5,988,143	8	5,466,309	7
Indigenous	72,059,889	92	74,433,648	93
<b>Total</b>	<b>78,048,032</b>	<b>100</b>	<b>79,899,957</b>	<b>100</b>

35.2 Earnings in Foreign Exchange on FOB basis:

	Current Year Value (Rs,)	Previous Year Value (Rs,)
Export of goods.	225,643,388	175,509,952

36. Derivative Instruments

- a) During the year, the company has entered into some formal hedging policy to hedge its exposure in foreign currency and interest rate (if any). However, the outstanding derivative instruments as on March 31, 2016 is NIL (March 31, 2015 - NIL)
- b) Unhedged foreign currency exposures:

Foreign currency exposure that are not hedged by a derivative instruments or otherwise are as follows:

Particulars	Currency	As at March, 2016		As at March, 2015	
		Foreign Currency	Equivalent in Rs.	Foreign Currency	Equivalent in Rs.
<b>Assets</b>					
i) Trade Receivables	USD	504,269	33,410,332	319,885	19,819,286
ii) Advance paid to Suppliers	USD	240,994	15,967,038	48,000	2,992,655
	EURO	123,635	9,321,452	128,290	8,874,292
	CHF	3,448	237,843	1,787	117,873
<b>Liabilities</b>					
i) Trade payable	USD	327,001	21,665,454	1,003,953	63,079,759
	EURO	12,246	923,314	19,511	1,413,866
ii) Foreign Currency Loans	USD	1,283,355	85,028,668	557,950	52,848,481

37. The previous year's figures are regrouped and rearranged wherever necessary, to confirm to current period classifications.

For Brahmaya & Co.,  
Chartered Accountants  
ICAI Firm registration number: 0005155

G. Srinivas  
Partner  
Membership no.: 086761

Place: Bengaluru  
Date: 20th May 2016.

For and on behalf of the Board of Directors

S.K.Welling  
Chairman  
DIN: 00050943

V.Sridhar  
Chief Financial Officer

Aditya M. Gokarn  
Managing Director  
DIN: 00185458

Apoorva.G  
Company Secretary









Challenging Excellence

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