

**TRITON**  
VALVES LTD

Challenging Excellence

July 14, 2017

To,  
The Manager, Listing Department  
BSE Limited,  
PJ towers, Dalal Street, Fort,  
Mumbai – 400 001  
**BSE Symbol: 505978**

Dear Sir,

**Sub: Annual Report for Financial Year 2016-17**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report for the Financial Year 2016-17 as it has been approved and adopted in the 41<sup>st</sup> Annual General Meeting of the Company held on July 12, 2017.

Request you to kindly take the same on records.

Thanking you,

Yours Sincerely,  
For Triton Valves Limited

  
Apoorva G  
Company Secretary



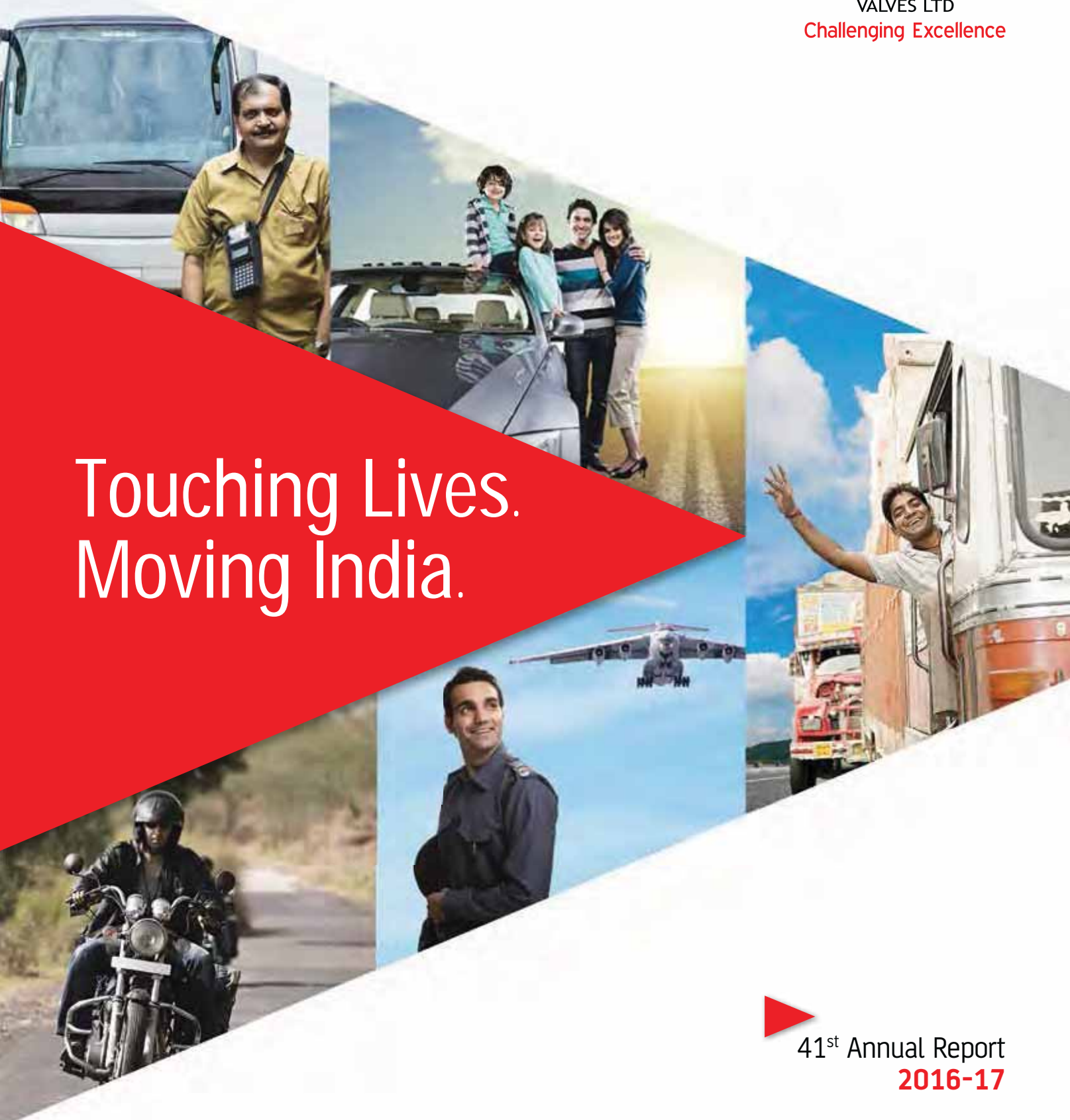
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**TRITON**  
VALVES LTD

Challenging Excellence

Touching Lives.  
Moving India.



41<sup>st</sup> Annual Report  
**2016-17**

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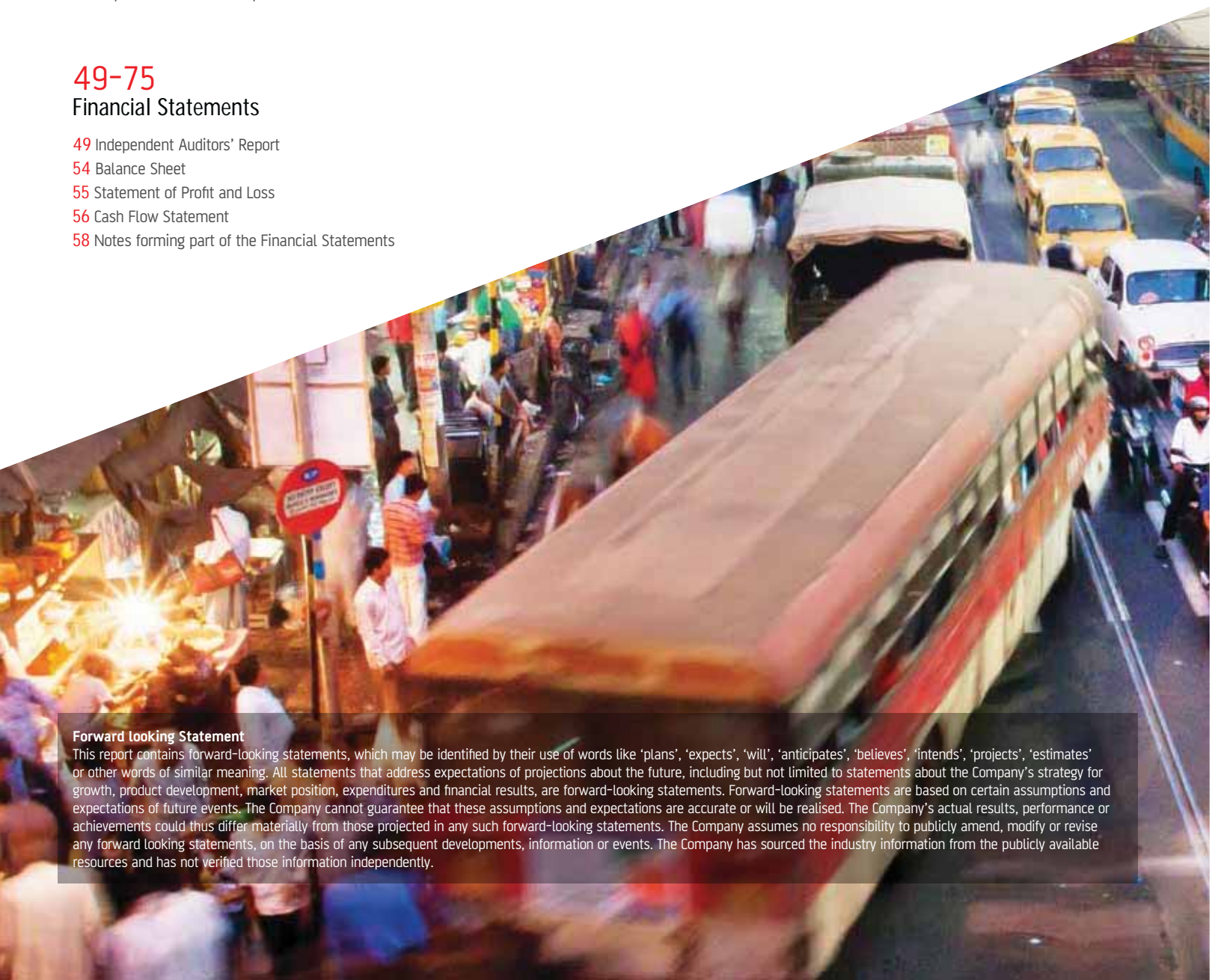
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#### Forward looking Statement

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations of projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from the publicly available resources and has not verified those information independently.



# Touching Lives. Moving India.

At Triton, we recognise that the products we manufacture silently play an important role in the safety of our customers. This motivates us to strive for perfection in everything that we do. Our products perform safely and efficiently in every type of vehicle from mopeds, scooters and motorcycles to passenger cars, trucks, earthmovers and even aircraft. Our valves play a critical role in tyre inflation ensuring that vehicles are able to perform safely and with control.

At Triton, business will always be more than just achieving growth by the numbers.

**Our goal is to touch lives to move India and its people towards a better tomorrow.**



Find the online version of this report at  
[www.tritonvalves.com](http://www.tritonvalves.com)

# About the Company



Triton Valves Limited is the largest manufacturer of automotive tyre valves in India. The Company was incorporated in 1975 by its visionary founder M.V. Gokarn with the vision of establishing a world-class manufacturing facility in India. Steered by this vision, the Company has been manufacturing tyre valves and cores for a wide range of automotive applications.

The Company's state-of-the-art manufacturing facility and R&D Centre are located in Mysore. The Company is certified for the ISO/TS 16949 Quality standard, the ISO 14001 Environment Management standard and the BS OHSAS 18001 Occupational Health and Safety standard. Triton has a team of highly qualified and experienced professionals who have earned the trust and respect of customers across the globe.

The Company supplies valves to both the tyre industry and the vehicle manufacturing industry and has a commanding presence in the domestic market. Triton valves are also exported to North America, Latin America, Africa, Asia Pacific and the Far East.

## Competitive Strengths

Triton's reputation for quality, delivery and customer service have earned it the trust of leading Original Equipment Manufacturers (OEMs). Philosophies like 'get it right the first time', 'zero-defect' and 'customer comes first' are a way of life for the Company and have enabled it to carve a market leadership position in every segment that it operates in. Further, the Company enjoys a distinct advantage in the market due to its superior technology, large installed capacities in all product categories, competitive pricing and approvals from almost every tyre and vehicle manufacturer in the country. These strengths can be leveraged to further widen the customer base, increase the product offerings and improve the Company's overall performance.



## Our Vision

Our vision is to set global benchmarks of excellence in every aspect of business.



## Our Mission

We don't just manufacture tyre valves. Our greater cause is safety in the movement of people and goods in india.

## Product Portfolio

Valves

Cores

Service Tools

Adapters & Plugs

Accessories

AC Products



## Our Values

### PEOPLE

At Triton, we have travelled many a mile on the rough road to success. But we have raced past every frontier and milestone, riding on the unparalleled strength of our people. As the most important force of our business, we have always endeavoured to respect and empower them, thereby bringing out the best in each.

### CRAFTSMANSHIP

At Triton, the spirit of craftsmanship is at the heart of all that we do. Paying attention to the smallest details and being meticulous and thoughtful in our daily activities means that our valves and cores are precision-crafted products.

### EXCELLENCE

We have an innate desire to excel in whatever we do, however small or big the task maybe. 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 towards which we strive. We truly believe that our customers' success is our own.

### 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 smiles on customers' faces, the thrill of solving a problem, and 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.



At Triton, business means more than creating profits; it is about creating shared value.

Driven by this conviction, our business operations are conducted in a manner to positively impact the lives of all those whom we connect with. The continual endeavour is to promote safety and the well-being of our customers and employees, build mutually beneficial relationships, nurture vibrant communities and support a healthy environment.

### END CONSUMERS

Our valves, which are used in tyres of vehicles of all sizes - from motorcycles and scooters to heavy-duty trucks and even aircraft, are of the highest quality and made to exacting standards of precision. This ensures reliable performance and superior endurance, which in turn means that passengers can travel safely, every day, every time.

### CUSTOMERS

At Triton, we truly believe that our customers' success is our own. Through the four-pronged strategy of high quality focus, robust product portfolio, customer service and delivery, we meet the diverse requirements of our customers. Our sharp focus on meeting their evolving needs and ensuring impeccable quality at all times has earned us the trust of leading OEMs in the tyre and automobile industry. Further, we are committed to excellence, not just in the products we make, but also in the various processes used across the organisation. This enables us to drive cost and operational efficiencies, thereby delivering greater value for our customers and for our business.

### PEOPLE

We have been able to capitalise on the opportunities in our industry by riding on the unparalleled strength of our people. It is only fair that we power their progress as well. We empower growth through opportunities, training and skill development. We embrace harmonious labour relations, and believe in respecting the rights of all those who work for us, with us, and also those who serve us, on a day-to-day basis. Caring for the safety, health and wellness of our workforce is also a priority. As the most important force of our business, we remain committed to keep them engaged, satisfied and happy, thus creating a workforce that will contribute to an enriching tomorrow.

### INVESTORS

We are grateful for the trust reposed in us by our investors and are committed to conduct business that delivers sustainable returns on investments. This is achieved by leveraging technology across our operations, with a strong focus on controlling cost and driving operational efficiencies. We also endeavour to maximise returns on investment by designing, developing and manufacturing our products in way that satisfy the needs of our customers. Our commitment to comply with the highest quality standards has enabled us to expand our presence in both the domestic and overseas markets. Our unrelenting focus on best practices has enabled us to reap business efficiencies, which in turn has translated to distributing dividends to our shareholders ever since the inception of our Company.

### COMMUNITY

At Triton, we firmly believe progress is permanent only when everyone moves forward. This is manifested in our flagship CSR initiative Unnati.

Unnati aims to make a positive impact in the communities surrounding our plant in Mysore by improving the quality and access to education for under-privileged children. Aligned to this objective, we have launched a number of initiatives aimed at improving infrastructure and the quality of learning imparted to children in the local Anganwadis and government primary schools. Some of the successful initiatives include building and maintenance of classrooms and toilets, skill development programmes for children and their mothers and organising extra-curricular activities and cultural activities for children.

We are also committed to the preservation of the environment. The Company regularly conducts tree planting activities and has contributed in creating awareness on solid waste segregation and management in the local community.



# Letter To Shareholders



Dear Shareholders,

2016 has turned out to be a year of surprises. While the unexpected results of the referendum in the UK in favour of exiting the EU popularly called BREXIT sent shockwaves through the global economy, the unexpected triumph of Donald Trump in the US presidential elections kept policy watchers and analysts guessing about what would come next. All said and done, these events will impact the global economy and throw up challenges to businesses in various forms in the years ahead. Against this backdrop, the global economy continued to trudge ahead with a growth rate of 3.1 per cent, as per the International Monetary Fund. While the US economy is looking positive, the EU continues to face an uphill task. The Chinese economy has slowed down substantially, and the sub-seven per cent growth it has been clocking since the last few years seems unlikely to change in the near future.

**Total Net Revenue**

↑ 12.95%

**Profit before tax**

↑ 17.72%

**Profit after tax**

↑ 18.82%

**Earnings per share**

↑ 18.82%

In India too, 2016 was an eventful year. The government's consistent focus to boost key sectors like manufacturing, defence, infrastructure and housing combined with long-term reforms like passage of the GST Bill and the Digital India initiative are laying strong foundations for an emergent New India. A near normal monsoon saw the country's foodgrain output rise by 8.7 per cent to a record 273.38 MT in 2016-17. Inflation remained benign throughout the year. The GDP grew by 7.1 per cent. There was a surprise in store for the Indian economy as well during November as the government demonetised currency notes of ₹ 1,000 and ₹ 500 denominations, roughly accounting for 86 per cent of the currency in circulation. The economy was no doubt hit with consumers being unable to make cash purchases for several weeks after the government's sudden decision.

For Triton Valves, it was an exciting year as the Company registered an excellent performance. The Company's growth rate is better than growth rate in the tyre and automobile sectors. The key financial matrices for the year are:

- Total Net Revenue from operations for the year were ₹ 18,687.74 lakhs compared to ₹ 16,543.72 lakhs in the previous year, an increase by 12.95 per cent.
- Profit before tax increased to ₹ 1,032.42 lakhs from the previous year's level of ₹ 877.02 lakhs representing an increase of 17.72 per cent.
- The Profit after tax was ₹828.45 lakhs, registering a growth of 18.82 per cent over the PAT of ₹ 697.19 lakhs in the previous year.
- Earnings per share aggregated to ₹83.68 in FY 2017 (₹70.42 in FY 2016) – a growth of 18.82 per cent.

The Company has proposed a dividend of ₹15 per equity share (150 per cent) of ₹ 10 each for the financial year March 31, 2017, subject to the approval of shareholders.

The Company performed impressively in both domestic as well as international markets. The domestic markets are now mature, and hence, the Company is focussing on exports to APAC and LATAM countries. During the year, the Company continued to focus on operational efficiencies and cost reduction. We are pleased to share that the investments we had made in the recent years for driving efficiencies are now coming to fruition. Our focus on controlling costs remains high. In fact, the Company is aiming to achieving cost leadership position in the industry. Aligned to this goal, we are intensely focussing on automation and technology. Further, our R&D teams are working towards developing new products and technologies which will help the Company to accelerate growth in new business verticals while de-risking the product portfolio. The outlook for the Company remains positive and buoyant. With prediction of a good monsoon and the economy on the fast growth track, both the tyre and the automobile industries are looking at good growth prospects. The GST implementation is also expected to create a level playing field in the long run. The Company is diversifying its product portfolio, opening up newer revenue streams. On the whole, all indications are in place for another year of growth for the Company.

The Company continues to strive to achieve greater heights in its performance, and deliver value not only for its customers and shareholders, but for all its stakeholders – employees, vendors, the environment and society at large. I thank you for the trust and faith shown in the Company and look forward to another positive year ahead.

With Regards

S.K. Welling, Chairman

# Board of Directors



**S K WELLING**

Mr. S.K. Welling is the Chairman of the Board. He is an Independent Non-Executive Director. Mr. Welling is a graduate in Mechanical Engineering from Karnataka University and holds a Master's degree in Business Administration from the University of Leeds, UK. He was the former Executive Director of HMT Ltd., an engineering conglomerate with a diversified business portfolio of Machine Tools, Watches, Tractors and Industrial Machinery. Currently, he serves as an Independent Director on the Board of three other Companies. Mr. Welling has rich and wide industrial experience of over 35 years spanning several functional areas such as Strategic Planning, Corporate Restructuring, Industrial Engineering, Project Management, Technology Management, International Marketing and Human Resources Management. He has excellent conceptualisation skills and proven expertise in business dynamics, strategy development, restructuring of enterprises and forging strategic alliances.



**Dr. B R PAI**

Dr. B.R. Pai is an Independent Non-Executive Director. Dr. Pai completed his B.Tech from IIT Madras and went on to obtain a Ph.D. from Imperial College, London. He holds an M.Sc in Engineering and a Diploma from the Imperial College. Dr. Pai started his career as a research engineer at English Electric Company, U.K., and later moved to International Flame Research Foundation, Holland, as a Senior Research Investigator before joining the National Aerospace Laboratory (NAL) in 1975. He retired as Director of NAL in the year 2004. Dr. Pai is an expert in the field of combustion, heat transfer, air breathing propulsion systems and Computational Fluid Dynamics. Dr. Pai has several patents and over a hundred papers and publications to his credit.



**TAMHANT JAIN**

Mr. Tamhant Jain is an Independent Non-Executive Director. Mr. Jain completed his B.Tech from IIT Kanpur. He had a distinguished academic record at IIT and received the Director's Letter of Recognition for Research Excellence, the Dean's Merit Scholarship & the Certificate of Merit for Academic Excellence. He also holds an MBA with Distinction from Harvard Business School. He is the co-founder of Northwest Executive Education which provides executive education in leadership and management in collaboration with globally renowned international institutions like Chicago Booth, Yale and Berkeley. Previously, Mr. Jain served as Chief of Strategic Planning at Future Group, India's largest retailer. He also served as CEO of Adonis, India's largest consumer durable services company where he developed Sales, HR & IT capabilities. Mr. Jain has published several research papers in international conferences on Artificial Intelligence and Robotics.



**ANURADHA M GOKARN**

Mrs. Anuradha M Gokarn is a Non-Executive Director. Mrs. Gokarn holds an M.Phil. in English Literature from the University of London. Mrs. Gokarn served as a Managing Director of the Company from 1986 to 2012. She took over the reigns of the Company at a time of crisis when her husband and the founder Managing Director Mr. M. V. Gokarn suddenly passed away. She successfully steered the Company to a market leadership position within six years and further built a strong foundation on which the Company continues to grow and prosper. Her in-depth knowledge of the business and her ability to build strong and lasting relationships with employees, customers, suppliers and shareholders ensured that under her leadership Triton remained continuously profitable and grew at a CAGR of over 14% over two and a half decades.



**ADITYA M GOKARN**

Mr. Aditya M Gokarn is the Managing Director. Mr. Gokarn holds a Bachelors' degree in Mechanical Engineering from RV College of Engineering, Bengaluru and a Certificate of Business Excellence from the University of California Berkeley. Mr. Gokarn joined the Company as Manager Business Development in 2003 and was subsequently inducted on the Board of Directors in 2005 in the capacity of Executive Director. He has varied experience in business development, project execution and new product development. He has been instrumental in executing the capacity expansion and technology upgradation programmes of the Company during the last ten years.

# Corporate Information

## KEY MANAGERIAL PERSONNEL

Mr. Aditya M. Gokarn - Managing Director  
Mr. Srikanth Shenoy - Chief Financial Officer  
Ms. Apoorva G - Company Secretary

## STATUTORY AUDITORS

Brahmayya & Co  
Chartered Accountants  
10/2, Kasturba Road  
Bengaluru – 560001

## INTERNAL AUDITORS

Grant Thornton India LLP,  
#65/02, Bagmane Tridib, Block A,  
5th Floor, Bagmane Tech Park,  
CV Raman Nagar,  
Bengaluru – 560093

## REGISTERED OFFICE

Sunrise Chambers  
22, Ulsoor Road  
Bangalore – 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

## SECRETARIAL AUDITOR

Parameshwara G Bhat  
Company Secretary  
#496/4, II Floor, 10th Cross,  
Near Bashyam Circle, Sadashivanagar,  
Bengaluru – 560080

## BANKERS

HDFC Bank Limited  
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,  
Bangalore – 560 003  
P: +91 80 23469661/62; F: +91 80 23469667/68

# Board's Report

Dear Shareholders,

Your Directors have pleasure in presenting the 41<sup>st</sup> Annual Report along with the audited financial statements for the financial year ended March 31, 2017.

## 1. Performance Highlight

	(₹ in lakhs)	
	2016 - 17	2015 - 16
<b>Income</b>		
Revenue from operations	18,687.74	16,543.72
Other income	204.14	15.35
<b>Total income</b>	<b>18,891.88</b>	<b>16,559.07</b>
<b>Expenses</b>		
Operating expenditure	16,373.45	14,411.99
Earnings before interest, Depreciation and tax	2,518.43	2,147.09
Depreciation and amortization expense	991.13	773.74
Finance costs	494.88	496.32
Profit/ (Loss) before tax	1,032.42	877.02
Tax expense	203.98	179.83
<b>Net Profit / (Loss) after tax</b>	<b>828.45</b>	<b>697.19</b>
Earnings / (Loss) per share (Basic / Diluted) (₹) (Face Value of ₹10/- each)	83.68	70.42

## 2. Business Operations

Your Company's net revenue from operations increased by 12.95% to ₹18,687.74 lakhs from ₹16,543.72 lakhs in the previous year. Profit before tax increased to ₹1,032.42 lakhs from the previous year's level of ₹877.02 lakhs representing an increase of 17.72%. The profit after tax was ₹828.45 lakhs, registering a growth of 18.82% over the PAT of ₹697.19 in the previous year.

## 3. Dividend

Based on the Company's performance, your Directors are pleased to recommend a dividend of ₹15/- per Equity Share (150 %) of ₹10/- each for the Financial Year ended March 31, 2017.

## 4. Reserves

The Reserves of the Company increased by 14.76% to ₹6,440.34 lakhs as against ₹5,611.89 lakhs in the previous year. In view of higher available disposable profits, an amount of ₹300 lakhs has been transferred to General Reserve during the current year.

## 5. Prospects for the Financial Year 2017-18

Your Company's prospects are directly linked to those of the automobile and tyre industries. The automobile and tyre industries are expected to put up an improved performance compared to the previous year. Analysts and Industry watchers expect the automobile industry to grow by 10% and the tyre and tube industry to grow by 7-8%. 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/Associates/Joint Ventures

The Company does not have any subsidiaries/associates or joint ventures.

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

The Corporate Governance Report and Management Discussion and Analysis Report as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

The requisite certificate from the Auditors, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Report.

## 10. Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013, Mrs. Anuradha M. Gokarn (DIN:00185509) retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Dr. B R Pai (DIN 00184753), Independent Director of the Company completed his first term as an Independent Director and as per the provisions of Section 152, he shall be eligible for re- appointment on passing of the Special Resolution.

Mr. Tamhant Jain (DIN: 02787785) was appointed by the Board as an Independent Director (Additional Director) of the Company with effect from February 3, 2017 and his appointment will be subject to approval of the Shareholders.

Your Board recommends both the above appointments.

Mr. V Sridhar retired as the Chief Financial Officer of the Company with effect from close of business hours on September 30, 2016.

Mr. Srikanth Shenoy was appointed as Chief Financial Officer of the Company w.e.f. October 21, 2016 pursuant to Section 203 of the Companies Act, 2013.

The Company has received declarations from all its Independent Directors, confirming that they meet the criteria of independence as prescribed under Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 11. Auditors

Messrs Brahmayya and Co., Chartered Accountants having ICAI Firm Reg. No. 000515S, have expressed their inability to continue as Statutory Auditors of the Company w.e.f the ensuing Annual General Meeting.

The Board of Director places on record its appreciation to the services rendered by Messrs Brahmayya and Co. as the Statutory Auditors of the Company .

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on May 9, 2017, proposed to appoint Messrs Deloitte, Haskins & Sells LLP having ICAI Firm Reg. No. 117366W/W-100018 as Statutory Auditors of the Company for a period of 5 years from the conclusion of the 41<sup>st</sup> Annual General Meeting till the conclusion of the fifth Annual General Meeting thereafter, subject to the approval of the members of the Company at the ensuing Annual General Meeting. The Audit Report does not contain any qualification, reservation or adverse remark.

### 12. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Rules made thereunder, the Company has appointed Mr. Parameshwara G Bhat, Practising Company Secretary as the Secretarial Auditor of the Company. The Secretarial Audit Report is annexed as Annexure I and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### 13. Cost Audit

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company had appointed Messrs Rao, Murthy and Associates, Cost Accountants, (Firm Registration No. 000065) to audit the cost accounts of the Company for the financial year 2016-17 on a remuneration of ₹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 Shareholders's ratification for the remuneration payable to Messrs Rao, Murthy and Associates, Cost Accountants is included at Item No. 10 of the Notice convening the Annual General Meeting.

### 14. Directors' responsibility statement

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### 15. Board meetings

The Board of Directors met five (5) times on April 11, 2016, May 20, 2016, July 29, 2016, October 21, 2016 and February 3, 2017. The maximum interval between any two meetings did not exceed 120 days. The Agenda of the meetings were circulated to the Directors in advance, minutes of meetings of Board of Directors were circulated amongst the Directors for their perusal.

## 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. Board Evaluation

Evaluation of performance of all Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects. The Board of Directors has expressed its satisfaction with the evaluation process.

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)

## 18. 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).

## 19. Particulars of Loans, Guarantees or Investments

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

## 20. Related Party Transactions

Contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and at arm's length basis. During the year, the Company had not entered into any contract/arrangement/ transaction with related parties which could be considered material in

accordance with the policy of the Company on materiality of related party transactions.

The Company has formulated a policy on related party transactions and same is available in the Company's website: [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.

## 21. 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.

## 22. Significant & material orders passed by the Regulators

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

## 23. Risk Management Policy

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

## 24. Vigil Mechanism

The Company has established a Vigil Mechanism, which includes a Whistle Blower Policy, for its Directors and Employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. The Whistle Blower Policy is posted on the website of the Company [www.tritonvalves.com](http://www.tritonvalves.com).

## 25. Extract of Annual Return

The extract of the Annual return in Form MGT-9 is annexed herewith as Annexure V to the Board's Report.

## 26. 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, 2017 and also till the date of this report.

## 27. Employee Relations

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



## 28. 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.

## 29. 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 was formed including an outside member to oversee the effective implementation.

No complaints were received during the year ended March 31, 2017.

## 30. 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.

## 31. 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 the CSR activities is appended as Annexure VII to the Board's Report.

## 32. 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 has been obtained with effect from April 1, 2016 and is valid up to March 31, 2019.

## 33. Appreciation

Your Directors thank the customers, the vendors and others acquaintance for their continued support to your Company's growth.

Your Directors place on record their appreciation for 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 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 for the contribution made by employees at all levels.

For and on behalf of the Board of Directors

Place: Bengaluru  
Date: May 9, 2017

S.K.Welling  
Chairman

## ANNEXURES TO THE BOARD'S REPORT

### ANNEXURE I

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2017

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
TRITON VALVES LIMITED  
(CIN: L25119KA1975PLC002867)

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

Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2017 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Triton Valves Limited for the financial year ended on 31.03.2017 according to the provisions of following Acts/Rules wherever applicable:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) 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;
- (v) The following Regulations and Guidelines prescribed

under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - i) SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) There were no industry specific laws applicable to the Company from the list provided by the Institute of Company Secretaries of India:
- (vii) The other following general laws as may be applicable to the Company, wherever applicable:

#### (1) Employer/Employee Related laws & Rules:

- i. Industries (Development & Regulation) Act, 1951
- ii. The Factories Act, 1948
- iii. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
- iv. The Apprentices Act, 1961
- v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- vi. The Employees State Insurance Act, 1948
- vii. The Workmen's Compensation Act, 1923
- viii. The Maternity Benefits Act, 1961
- ix. The Payment of Gratuity Act, 1972
- x. The Payment of Bonus Act, 1965

- xi. The Industrial Disputes Act, 1947
- xii. The Trade Unions Act, 1926
- xiii. The Payment of Wages Act, 1936
- xiv. The Minimum Wages Act, 1948
- xv. The Child Labour (Regulation & Abolition) Act, 1970
- xvi. The Contract Labour (Regulation & Abolition) Act, 1970
- xvii. The Industrial Employment (Standing Orders) Act, 1946
- xviii. Equal Remuneration Act, 1976
- xix. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979
- xx. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
- xxi. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996
- xxii. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013
- xxiii. Dangerous Machines (Regulation) Act, 1983
- xxiv. Indian Boilers Act, 1923
- xxv. The Industrial Establishments (National and Festival Holidays) Act, 1963
- xxvi. The Labour Welfare Fund Act, 1965
- xxvii. The Karnataka Daily Wage Employees Welfare Act, 2012
- xxviii. For majority of Central Labour Laws the State has introduced Rules [names of each of the Rules is not included here]

**(2) Environment Related Acts & Rules:**

- i. The Environment Protection Act, 1986
- ii. The Water (Prevention & Control of Pollution) Act, 1974
- iii. The Water (Prevention & Control of Pollution) Cess Act, 1977
- iv. The Air (Prevention & Control of Pollution) Act, 1981
- v. The Government Order Under Environment (Protection) Act, 1986
- vi. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

- vii. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999

**3) Economic/Commercial Laws & Rules:**

- i. The Competition Act, 2002
- ii. The Indian Contract Act, 1872
- iii. The Sales of Goods Act, 1930
- iv. The Forward Contracts (Regulation) Act, 1952
- v. The Indian Stamp Act, 1899
- vi. The Transfer of Property Act, 1882

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India, on the Board and General Meeting is SS-1 and SS-2.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above, wherever applicable. Certain non material findings made during the course of the audit relating to Labour Laws, Companies Act and Secretarial Standards were addressed suitably by the Management.

Further, I report that with regard to financial and taxation matters, I have relied on the Audit Report, Limited Review Report and the Internal Audit Report provided by the Statutory/Internal Auditor as the case may be.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors which 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 while the dissenting members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such case instance.

I further 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.

Place: Bangalore  
Date: May, 9, 2017

Parameshwar G. Bhat  
FCS No.: 8860  
C P No.: 11004

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

**'ANNEXURE'**

My 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. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I 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. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.

3. I 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 Act, Customs Act, Central and State Sales Tax Act.
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. My 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: Bangalore  
Date: May, 9, 2017

Parameshwar G. Bhat  
FCS No.: 8860  
C P No.: 11004

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## 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

- 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 October 1, 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

- 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.
- 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

- 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
- 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.
- 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.

### **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.

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## 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 and Rendering services

- c) Duration of the contracts / arrangements/ transactions: 1 year
- 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 ₹200 lakhs per year Purchase of goods and ₹2,40,000 for rendering Services. Omnibus approval has been obtained for the period of one year from April 1, 2017 to March 31, 2018 for Purchase of Goods and from May 1, 2017 to April 30, 2018 for Rendering Services 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 February 3, 2017 and May 9, 2017.
- e) Date(s) of approval by the Board, if any: February 3, 2017 and May 9, 2017
- f) Amount paid as advances, if any: Nil

For and on behalf of the Board of Directors

Place: Bengaluru  
Date: May 9, 2017

S.K.Welling  
Chairman

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## ANNEXURE IV

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

(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

	₹ in lakhs	
	2016-17	2015-16
a. Capital	285.16	270.48
b. Recurring	208.35	188.24
<b>Total</b>	<b>493.50</b>	<b>458.71</b>
Total R&D expenditure as a percentage of turnover	2.64%	2.77%

##### A. Foreign Exchange Earnings and Outgo

	₹ in lakhs
	2016-17
Foreign exchange earned through exports	2,958.91
Foreign exchange used	9,987.56

For and on behalf of the Board of Directors

Place: Bengaluru  
Date: May 9, 2017

S.K.Welling  
Chairman

**ANNEXURE V****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****AS ON FINANCIAL YEAR ENDED ON MARCH 31, 2017****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, Bangalore -560042. Contact Details _ Apoorva G - Compliance Officer, 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, Bangalore-560 003. Contact Details: Mr.Ravi, Manager-RTA, Contact No: 080-23469661/62/64. E: <a href="mailto:canbankrta@ccsl.co.in">canbankrta@ccsl.co.in</a>

**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 Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	500,004	-	500,004	50.50	499,904	-	499,904	50.49	0.01
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-

d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>500,004</b>	<b>-</b>	<b>500,004</b>	<b>50.50</b>	<b>499,904</b>	<b>-</b>	<b>499,904</b>	<b>50.49</b>	<b>0.01</b>
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A)</b>	<b>500,004</b>	<b>-</b>	<b>500,004</b>	<b>50.50</b>	<b>499,904</b>	<b>-</b>	<b>499,904</b>	<b>50.49</b>	<b>0.01</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	38,362	-	38,362	3.87	41,333	-	41,333	4.17	(0.30)
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>38,362</b>	<b>-</b>	<b>38,362</b>	<b>3.87</b>	<b>41,333</b>	<b>-</b>	<b>41,333</b>	<b>4.17</b>	<b>(0.30)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	23,826	350	24,176	2.44	24,326	350	24,676	2.49	(0.05)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	312,689	43,696	356,385	36.00	309,992	42,194	352,186	35.57	0.42
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	12,530	-	12,530	1.27	12,901	-	12,901	1.30	(0.04)
Non Resident Indians	4,477	-	4,477	0.45	3,574	-	3,574	0.36	0.09
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	93	-	93	0.01	1,453	-	1,453	0.15	(0.14)
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>407,615</b>	<b>44,046</b>	<b>451,661</b>	<b>45.62</b>	<b>406,246</b>	<b>42,544</b>	<b>448,790</b>	<b>45.33</b>	<b>0.29</b>
<b>Total Public (B)</b>	<b>445,977</b>	<b>44,046</b>	<b>490,023</b>	<b>49.50</b>	<b>447,579</b>	<b>42,544</b>	<b>490,123</b>	<b>49.51</b>	<b>(0.01)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>945,981</b>	<b>44,046</b>	<b>990,027</b>	<b>100.00</b>	<b>947,483</b>	<b>42,544</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	Anuradha Maruti Gokarn	125,021	12.63	-	125,021	12.63	-	-
2	Anuradha Maruti Gokarn	125,020	12.63	-	125,020	12.63	-	-
3	Nagarkatte Shridharmurthy Nirmala	112,506	11.36	-	112,506	11.36	-	-
4	Aditya Maruti Gokarn	5,971	0.60	-	5,971	0.60	-	-
5	Anil Maruti Gokarn	3,059	0.31	-	3,059	0.31	-	-
6	Aditya Maruti Gokarn	40,851	4.13	-	40,851	4.13	-	-
7	Maruti Anuradha Gokarn	30,000	3.03	-	30,000	3.03	-	-
8	Pradeep P Koppikar	13,425	1.36	-	13,325	1.35	-	0.01
9	Anil Maruti Gokarn	44,151	4.46	-	44,151	4.46	-	-
	<b>Total</b>	<b>500,004</b>	<b>50.50</b>	-	<b>499,904</b>	<b>50.49</b>	-	<b>0.01</b>

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

Sl. No	Particulars	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>Pradeep P Koppikar</b> At the beginning of the year (as on 01.04.2016)	13,425	1.36	13,425	1.36
	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 100		-	13,325	1.35
	At the End of the year (as on 31.03.2017)	13,325	1.35	13,325	1.35

## (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 01.04.2016)	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 31.03.2017)	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 01.04.2016)	11,617	1.17	11,617	1.17
	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 1429		0.14	10,188	1.03
	At the End of the year (as on 31.03.2017)	10,188	1.03	10,188	1.03
3	<b>SBI Equity Opportunities Fund Series II</b> At the beginning of the year (as on 01.04.2016)	10,745	1.09	10,745	1.09
	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 3610		0.36	14,355	1.45
	At the End of the year (as on 31.03.2017)	14,355	1.45	14,355	1.45

4	<b>SBI Long Term Advantage Fund Series I</b>				
	At the beginning of the year (as on 01.04.2016)	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 31.03.2017)	10,000	1.01	10,000	1.01
5	<b>Katy Dolly Navasariwalla</b>				
	At the beginning of the year (as on 01.04.2016)	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 31.03.2017)	7,500	0.76	7,500	0.76
6	<b>Pooja Ahlawat</b>				
	At the beginning of the year (as on 01.04.2016)	7,033	0.71	7,033	0.71
	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 166	0.02	7,199	0.73
	At the End of the year (as on 31.03.2017)	7,199	0.73	7,199	0.73
7	<b>Deepak Dhall</b>				
	At the beginning of the year (as on 01.04.2016)	6,483	0.65	6,483	0.65
	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 150	0.02	6,333	0.64
	At the End of the year (as on 31.03.2017)	6,333	0.64	6,333	0.64
8	<b>SBI Long Term Advantage Fund Series II</b>				
	At the beginning of the year (as on 01.04.2016)	6,000	0.61	6,000	0.61
	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 31.03.2017)	6,000	0.61	6,000	0.61
9	<b>Pradip Lalla*</b>				
	At the beginning of the year (as on 01.04.2016)	5,845	0.59	5,845	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):	Sale of 1134	0.11	4,711	0.48
	At the End of the year (as on 31.03.2017)	4,711	0.48	4,711	0.48
10	<b>Minto Park Estates Private Limited</b>				
	At the beginning of the year (as on 01.04.2016)	5,460	0.55	5,460	0.55
	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 31.03.2017)	5,460	0.55	5,460	0.55



11	<b>Nirmala Yeshwant Pai#</b>				
	At the beginning of the year (as on 01.04.2016)	5,100	0.52	5,100	0.52
	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 31.03.2017)	5,100	0.52	5,100	0.52

#Not in the list of Top 10 shareholders as on April 1, 2016 The same is reflected above since the shareholder was one of the Top 10 shareholder as on March 31, 2017.

\* Ceased to be in the list of Top 10 shareholders as on March 31, 2017. The same is reflected above since the shareholder was one of the Top 10 shareholder as on April 1, 2016.

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

Sl. No	For each of the Directors and KMP No. of shares	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>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>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	1,360	0.14	1,360	0.14
	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 70	0.01	1,430	0.14
	At the End of the year	1,430	0.14	1,430	0.14
4	<b>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>Tamhant Jain (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	-	-	-	-

6	<b>Srikanth Shenoy (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	-	-	-	-
7	<b>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.

(₹ 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	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>1,495.70</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	509.56	25.00	-	534.56
* Reduction	(235.73)	(10.00)	-	(245.73)
<b>Net Change</b>	<b>273.83</b>	<b>15.00</b>	-	<b>288.83</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,369.53	415.00	-	1784.83
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,369.53</b>	<b>415.00</b>	-	<b>1784.53</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager Aditya M. Gokarn - Managing Director
1	Gross salary (a) Salary as per provisions contained u/s 17(1) of the Income _ tax Act, 1961 (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	5,740,000 1,528,834
2	Stock Option	-
3	Sweat Equity Commission	-
4	- as % of profit - others, specify	-

5	Others, please specify	-
	<b>Total</b>	<b>7,268,833</b>
	Ceiling as per the Act	<b>8,400,000*</b>

Note: The remuneration paid to Mr. Aditya M Gokarn are within the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 which prescribes the maximum remuneration that can be paid in case of loss/ inadequate profits.

### B. Remuneration to other Directors

(₹)

Sl. No.	Particulars of Remuneration	Fee for attending board committee meetings##	Commission	Others, please specify	Total
<b>1</b>	<b>Independent Directors</b>				
	S. K. Welling	300,000	374,519	-	674,519
	Dr. B. R. Pai	300,000	374,519	-	6,74,519
	Tamhant Jain**	25,000	45,645	-	70,645
	<b>Total (1)</b>	<b>625,000</b>	<b>794,683</b>	-	<b>1,419,683</b>
<b>2</b>	<b>Other Non-Executive Directors</b>				
	Anuradha M Gokarn	225,000	374,519	-	599,519
	<b>Total (2)</b>	<b>225,000</b>	<b>374,519</b>	-	<b>599,519</b>
	<b>Total (B)=(1+2)</b>	<b>850,000</b>	<b>1,169,202</b>	-	<b>2,019,202</b>
	<b>Total Managerial Remuneration</b>				<b>8,438,036*</b>
	<b>Ceiling as per the Act</b>				<b>9,569,202#</b>

\* Exclusive of sitting fees

\*\* Mr. Tamhant Jain, has been appointed with effect from February 3, 2017.

# The remuneration paid to Mr. Aditya M Gokarn are within the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 which prescribes the maximum remuneration that can be paid in case of loss/ inadequate profits. Including commission paid to Non-Executive Directors of the net profit not exceeding one percent of the net profit in aggregate as approved by the Shareholders by a Special Resolution in the AGM held on August 5, 2016.

##The sitting fees payable to the Directors is increased from ₹10,000/- (Rupees Ten Thousand) to ₹25,000/- (Rupees Twenty five thousand only) with effect from May 20, 2016 for every meeting of the Board of Directors and the Committee meetings.

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

(₹)

Sl No.	Particulars of Remuneration	Key Managerial Personnel		
		V Sridhar	Srikanth Shenoy	Apoorva G
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,606,190	2,031,857	706,114
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	19,800	23,100	2,400
	(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>1,625,990</b>	<b>2,054,957</b>	<b>708,514</b>

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : Nil

## 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):

(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>
	Mr. S K Welling	374,519	300,000	-	674,519	1.37
	Dr. B R Pai	374,519	300,000	-	674,519	1.37
	Mrs. Anuradha M Gokarn	374,519	225,000	-	599,519	1.22
	Mr. Tamhant Jain*	45,645	25,000	-	70,645	0.14
	Mr. Aditya M Gokarn	-	-	7,268,833	7,268,833	14.86
Medium Employee Remuneration (Average CTC of staff + Workmen)		489,087				
* Mr. Tamhant Jain, has been appointed with effect from February 3, 2017.						
# The sitting fees payable to the Directors is increased from ₹10,000/- (Rupees Ten Thousand) to ₹25,000/- (Rupees Twenty five thousand only) with effect from May 20, 2016 for every meeting of the Board of Directors and the Committee meetings.						
(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 (2015-16)</b>	<b>Remuneration (2016-17)</b>	<b>Change %</b>		
	Mr. S K Welling	451,454.3	674,519	49.41%		
	Dr. B R Pai	451,454.3	674,519	49.41%		
	Mrs. Anuradha M Gokarn	451,454.3	599,519	32.79%		
	Mr. Aditya M Gokarn	6,556,126	7,268,833	10.87%		
	Mr. Tamhant Jain*	-	70,645	-		
	Mr. Srikanth Shenoy**	-	2,054,957	-		
	Ms. Apoorva G	409,306#	708,514	73%		
* Mr. Tamhant Jain, was appointed w.e.f February 3, 2017.						
** Mr. Srikanth Shenoy was appointed as CFO w.e.f. October 21, 2016.						
# Ms. Apoorva G was appointed as CS w.e.f July 15, 2015.						
(iii) the percentage increase in the median remuneration of employees in the financial year;	14.45%					
(iv) the number of permanent employees on the rolls of company;	Staff including MD_ 132 Permanent Workers - 169					

<p>(v) 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;</p>	<p>Salary increase of Managerial personnel increased by 10% Salary increase of other than Managerial personnel increased by 14%</p>
<p>(vi) Affirmation that the remuneration is as per the remuneration policy of the company.</p>	<p>Yes, remuneration is as per the remuneration policy of the company.</p>

**(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**

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## ANNEXURE VII

### 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 intends 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, 2017 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:** ₹747.24 lakhs

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** ₹14.94 lakhs

5. **Details of CSR spent during the financial year:**

- a) Total amount spent for the financial year: ₹14.94 lakhs
- 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	Amount spent on the project or programs Subheads: (i) Direct expenditure on projects or programs (2)Over-heads (₹)	Cumulative expenditure up to the reporting period	Amount spent direct or through implementing agency
1	Promoting employment enhancing vocational skills	Promoting Education	Mysore	288,900	288,900	288,900	Through implementing agency
2	Providing Education to underprivileged students	Promoting Education	Mangalore	250,000	250,000	250,000	Through implementing agency
3	Assistance to rural and physically challenged students in India in education, vocational training and income generation	Promoting Education	Karnataka	100,000	100,000	100,000	Through implementing agency

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	Amount spent on the project or programs Subheads: (i) Direct expenditure on projects or programs (2)Over-heads (₹)	Cumulative expenditure up to the reporting period	Amount spent direct or through implementing agency
4	Educational Support to children with mental & Multiple Disabilities	Promoting Education	Gurgaon	50,000	50,000	50,000	Through implementing agency
5	Eye care services	Promoting health care	Bangalore Rural	200,000	200,000	200,000	Through implementing agency
6	Education support to hearing impaired and mentally challenged underprivileged children	Promoting Education	Maharashtra	100,000	100,000	100,000	Through implementing agency
7	Supporting the education of children belonging to Indigenous Tribal Groups	Promoting Education	Karnataka	400,000	400,000	400,000	Through implementing agency
8	Activities for the Growth and development of children of Primary Government schools and Anganawadis.	Promoting Education	Mysore District	105,574.75	105,574.75	105,574.75	Direct
	<b>Total</b>			<b>1,494,474.75</b>	<b>1,494,474.75</b>	<b>1,494,474.75</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)

Date: May 9, 2017  
Place: Bengaluru

# 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 ₹300 crore in the organized sector in the period 2016-17. Exports do not constitute a significant proportion of this turnover. Two manufacturers contribute over 80% of the total production and sales.

During the year, the macro-economic stability of the Indian economy improved in the first half of the current year, weathering global headwinds. Economic growth remained robust, current account balance improved despite continuing sluggishness in global demand, fiscal trends remained attuned to the consolidation plans and inflation remained broadly within the corridor. India's economic growth is estimated to slow to 7.1% in the current fiscal year ending March 31 compared to 7.6 % last year. Growth rate of industry sector declined in 2016-17 mainly on account of contraction in mining & quarrying and moderation of growth in manufacturing sector. The year was marked by two major domestic policy developments, the passage of the Constitutional amendment, paving the way for implementing the transformational Goods and Services Tax (GST), and the action to demonetise the two highest denomination notes. Apart from the above, the measures that were taken by the Government in the previous years to boost manufacturing, employment generation, ease of doing business and transparency, including Make in India, Skill India, direct benefit transfer and measures for financial inclusion, were also taken forward in the current year.

The sales of passenger and utility vehicles together grew by 9.23% to reach a record total of three million vehicles. India also registered its highest ever sales for two-wheelers and exported the maximum number of passenger vehicles in 2016-17. The sales of two-wheelers grew 6.89% to 17.59 million units, backed by a normal monsoon and increased wages of government employees, although the industry was hoping to achieve double-digit growth. Demonetisation slowed down demand from November onwards. Total commercial vehicle sales grew 4.16% to 714,232 units but three-wheeler sales declined 4.93% to 511,658 units. The sales of three wheelers were badly impacted post demonetization. Sales of Medium & Heavy Commercial Vehicles (M&HCVs) grew by 0.04% and Light Commercial Vehicles grew by 7.41% during FY 2016-17.

Tyre OEM Industry grew by 10 - 12% largely driven by the buoyancy witnessed in automobile sales, However, the tube industry growth decreased by - 0.3% mainly due to the shift from tyre tube to tubeless tyre Industry. Post demonetisation, the Tyre Industry has been adversely hit from November to January. However, recovery was made in February and March. Tyre industry stands to benefit from this turnaround in OEM demand and stable replacement demand. Capacity utilisation levels for manufacturing Truck and Bus Radial tyres ("TBR") have come down to 60-65% from 80-85% in couple of years ago due to increasing dumping of TBR tyres from China. Overall TBR imports jumped by 26% for the FY 16-17. Automotive Tyre Manufacturers Association (ATMA) has asked the Ministry of Commerce & Industry for early imposition of anti-dumping duty on import of TBR tyres from China, which accounts 92 % of TBR's import into India.

## 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:

	(₹ in lakhs)	
	2016-17	2015-16
Overall Sales	18,687.74	16,543.72
Domestic Sales	15,728.83	14,269.99
Export Sales	2,958.91	2,273.73

### Outlook

The overall outlook for the Financial Year 2017-18 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%. Chinese dumping of Truck and Bus Radial tyres is also expected to reduce during the year ahead. This is on account of anti-dumping duties being lifted on Chinese tyres in the USA which would make it more lucrative for Chinese manufacturers to sell their products there.

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 2016-17 are as under:

	2016-17 (₹ in lakhs)
Net Sales	18,687.74
Other Income	204.14
Profit before tax	1,032.42

The financial performance of the Company has been explained in the Board's Report of the Company for the year 2016-2017 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 September 30, 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

A report for the financial year ended March 31, 2017 on the compliance by the Company with the Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), is furnished below.

## 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.

## Board of Directors

i. 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 Requirements) Regulations, 2015.

- ii. The Board of Directors of the Company consists of 5 Directors out of whom one is Executive, one is Non-Executive (woman) and three are Independent Directors. The Chairman of the Board is Non-executive and Independent.
- iii. During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees and commission.
- iv. The information as required in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being regularly placed before the Board.
- v. During the year, the Board of Directors met five times on April 11, 2016, May 20, 2016, July 29, 2016, October 21, 2016 and February 3, 2017. The details of Directors' attendance at the Board meetings during the year and at the last Annual General Meeting are given below.
- vi. The details of number of directorships in Indian Companies and Committee memberships held in Indian public companies as on March 31, 2017 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	5	5	Yes	Nil	1	0
Mrs. Anuradha M. Gokarn	Mother of Mr. Aditya M Gokarn	Non-executive Non Independent Director	5	5	No	Nil	1	0
Dr. B.R.Pai	None	Non-executive Independent Director	5	5	Yes	Nil	0	2
Mr. S. K. Welling	None	Non-executive Independent Director	5	5	Yes	3	2	0
Mr. Tamhant Jain*	None	Non-executive Independent Director	5	1	NA	Nil	0	0

\* Mr. Tamhant Jain, was appointed with effect from February 3, 2017.

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

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company. \_ <http://www.tritonvalves.com/>

- vii. During the year, the Independent Directors met once on December 12, 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 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. All the Independent Directors attended the meeting.
- viii. 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: <http://www.tritonvalves.com/>

### Committees of the Board

For the year ended March 31, 2017, the Board had 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. The Chairman of the Committee is an Independent Director. As on March 31, 2017, the Committee consisted of:  
 Dr. B. R. Pai \_ Chairman  
 Mr. S. K. Welling \_ Member  
 Mrs. Anuradha M. Gokarn \_ Member

The composition of this Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

- 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 19, 2016, July 29, 2016, October 20, 2016 and February 2, 2017. 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 meetings held	No. of meetings attended
Dr. B. R. Pai	4	4
Mr. S. K. Welling	4	4
Mrs. Anuradha M. Gokarn	4	3

### Nomination and Remuneration Committee:

The Nomination and Remuneration Committee consists of three members- two of whom are Independent Directors and one Non-executive Director. The Chairman of the Committee is an Independent Director. As on March 31, 2017, the Committee consisted of:  
 Dr. B. R. Pai \_ Chairman  
 Mr. S. K. Welling - Member  
 Mrs. Anuradha M. Gokarn \_ Member

The composition of this Committee is in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

ii. The Terms of Reference of the Nomination and Remuneration Committee are as set out hereunder:

- 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.
- 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.
- Ensure that the Board comprises of a balanced combination of Executive Directors and Non-executive Directors and also the Independent Directors.
- Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability.
- Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines.
- Decide / approve details of fixed components and performance linked incentives along with the performance criteria.
- Devise a policy on Board diversity.
- Formulate the criteria for evaluation of Independent Directors and the Board.
- The Nomination and Remuneration Committee shall, formulate the Remuneration Policy of the Company.
- 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 April 11, 2016, May 19, 2016 and February 2, 2017. The Company Secretary acts as Secretary to the Committee.

The details of the meetings are as follows:

Name of Director	No. of meetings held	No. of meetings 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 <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 2016-17.

During the year 2016-17 the Company paid sitting fees to its Non-Executive Directors for attending meetings of the Board and Committee meetings. The sitting fees payable to the Directors is increased from ₹10,000 to ₹25,000 with effect from May 20, 2016 for every meeting of the Board of Directors and Committee meetings. The Members have at the AGM of the Company held on August 5, 2016 effective April 1, 2016 for a period of five years, approved the payment of commission to the Non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Act.

### Remuneration paid to Directors during 2016-17

(in ₹ Lakhs)

Name of Director	Sitting Fees	Salaries & Perquisites	Commission
Mrs. Anuradha M. Gokarn	2.25		3.75
Dr. B. R. Pai	3.00		3.75
Mr. Aditya M. Gokarn	-	72.69*	-
Mr. S. K. Welling	3.00		3.75
Mr. Tamhant Jain <sup>#</sup>	0.25		0.46

<sup>#</sup> Mr. Tamhant Jain, was appointed with effect from February 3, 2017.

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

Details of Equity Shares of the Company held by the Non-Executive Directors as on March 31, 2017 are given below:

Name of Director	Number of Shares
Mrs. Anuradha M. Gokarn	2,80,041
Dr. B. R. Pai	1,430
Mr. S. K. Welling	Nil
Mr. Tamhant Jain	Nil

The Company has not granted any stock options to its Directors.

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:**

The Stakeholders' Relationship Committee consists of three members- two of whom are Independent Directors and one Executive Director. The Chairman of the Committee is an Independent Director. As on March 31, 2017, the Committee consisted of:

Dr. B. R. Pai - Chairman

Mr. S. K. Welling - Member

Mr. Aditya M. Gokarn - Member

The composition of this Committee is in compliance with the requirements of Section 178 of Companies Act, 2013 and Regulation 20 of the Listing Regulations.

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 services, 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, 2017, one meeting of the Stakeholders' Relationship Committee was held on February 2, 2017. All the members of the Committee were present. The Company Secretary acts as Secretary to the Committee.

The particulars of shareholders' complaints received and disposed off during the financial year 2016-17 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
Pending at the beginning of the year	Nil
Received during the year	30
Resolved during the year	30
Complaints pending at the end of the year	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, 2017, the CSR Committee consisted of the following Directors

Mr. S.K.Welling - Chairman

Dr. B. R. Pai - Member

Mrs. Anuradha M. Gokarn - Member

During the year, the Committee met two times on October 20, 2016 and February 21, 2017. The Company Secretary acts as Secretary to the Committee.

The details of the meetings are as follows:

Name of Director	No. of meetings held	No. of meetings attended
Mr. S.K.Welling	2	2
Dr. B. R. Pai	2	2
Mrs. Anuradha M. Gokarn	2	1

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 Requirements) Regulations, 2015. 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:

Dr. B. R. Pai - Chairman  
Mr. S.K.Welling - Member  
Mr. Aditya M. Gokarn - Member

During the financial year ended March 31, 2017, the first meeting of the Committee was held on October 20, 2016. All Members were present.

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
2014	AGM	The Gateway Hotel, Residency Road, Bangalore-560025	August 14, 2014, 4.00 pm	Borrowing powers of the Board of Directors
2015	AGM	The Gateway Hotel, Residency Road, Bangalore-560025	August 19, 2015, 4.00 pm	Approval of payment of revised remuneration to Mr. Aditya M Gokarn, Managing Director of the Company.
2016	AGM	The Gateway Hotel, Residency Road, Bangalore-560025	August 5, 2016, 4.00 pm	1. Alteration in Memorandum of Association of the Company 2. Adoption of new Articles of Association of the Company in conformity with the Companies Act, 2013 3. Payment of Commission to Non-Executive Directors of the Company 4. Revision of remuneration to Managing Director

No Postal Ballot was conducted during the financial year 2016-17.

### Disclosures

- 1. Related party Transactions:** During the year under review, besides the transactions reported in Note 31 forming part of the financial statements for the year ended March 31, 2017 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 2016-17. A declaration to this effect signed by the Managing Director and CEO of the Company is attached.

6. The Company has adopted a Policy on Determination of Materiality for Disclosures as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Copy of the said Policy is available on the website of the Company [www.tritonvalves.com](http://www.tritonvalves.com).
7. The Company has adopted a Policy on Archival and Preservation of Documents as per Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Copy of the said Policy is available on the website of the Company [www.tritonvalves.com](http://www.tritonvalves.com).
8. The Company has complied with all the applicable mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
9. The Company has also complied with the following non-mandatory requirements as specified in Part E of Schedule II SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:
- A. **Chairman's Office:** The Company has Non-Executive Chairman However, no separate Chairman's office is maintained at the Company's expense.
- 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.
10. **Web Links:** The Company has no subsidiary and hence there is no need to frame any policy for determining "material" subsidiary.

11. The Company is not dealing in commodity and hence disclosure relating to commodity price risks and commodity hedging activities.
12. There are no Shares in demat suspense account or unclaimed suspense account.
13. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **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 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 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 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:

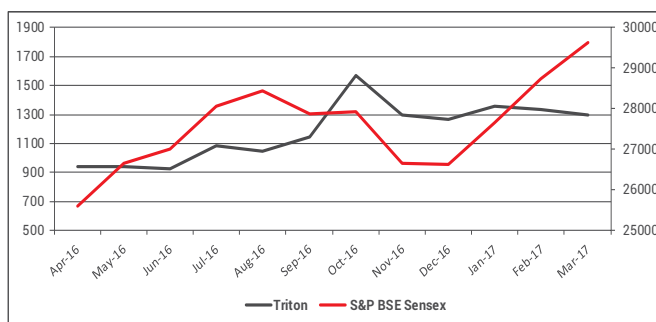
1	Date, Time & Venue of AGM	The 41 <sup>st</sup> Annual General Meeting (AGM) of the Members of Triton Valves Limited will be held on July 12, 2017, at The Gateway Hotel, Residency Road, Bangalore-560025 at 4.00 P.M.
2	Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March each year
3	Dividend 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 2017-18.
5	Stock Code	505978
6	Dates of Book closure	July 6, 2017 to July 12, 2017 (both days inclusive)
7	Registrar & Transfer Agents	Canbank Computer Services Limited, 218, J. P. Royale, 1 <sup>st</sup> Floor, 2 <sup>nd</sup> Main, Sampige Road, Malleswaram, Bangalore - 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: Mr. Srikanth Shenoy _ Chief Financial Officer Sunrise Chambers 22, Ulsoor Road Bangalore _ 560 042 Phone No.: +91 80 25588965/66; Fax No.: +91 80 25586483 Email: investors@tritonvalves.com Ms. Apoorva G _ Company Secretary and Compliance Officer Sunrise Chambers 22, Ulsoor Road Bangalore _ 560 042 Phone No.: +91 80 25588965/66; Fax No.: +91 80 25586483 Email: investors@tritonvalves.com

#### Stock Market Price Data (BSE)

Month	BSE		
	High Price	Low Price	Total Number of Equity shares traded
Apr-16	990	857.5	5,436
May-16	1,079	900	13,084
Jun-16	975	891.3	9,476
Jul-16	1,140	916	14,761
Aug-16	1,100	982	10,730

Sep-16	1,269	1,020	33,422
Oct-16	1,700	1,150	49,978
Nov-16	1,620	1,165	15,139
Dec-16	1,380	1,213.05	7,916
Jan-17	1,399	1,215	10,353
Feb-17	1,450	1,291	9,851
Mar-17	1,408	1,268	15,381

#### Performance of the Share price of the Company in comparison to the BSE Sensex



#### Distribution of Shareholding as on March 31, 2017

No. of Equity Shares Held	No. of Shares held	% To total number of shares	No. of Share-holders	% To total number of Shareholders
1-500	241,888	24.43	5,629	98.03
501-1000	35,268	3.56	50	0.87
1001-5000	84,828	8.57	44	0.77
5001-10000	58,626	5.92	9	0.16
10001 & above	569,417	57.52	10	0.17
<b>Total</b>	<b>990,027</b>	<b>100.00</b>	<b>5,742</b>	<b>100.00</b>

#### Shareholding Pattern as on March 31, 2017

Category	No. of Share holders	No. of Shares held	% of Share-holding
Promoter and Promoter group	9	499,904	50.49
Mutual Funds	5	41,333	4.17
Financial Institutions /Banks	-	-	0.00
Foreign Institutional Investors	-	-	0.00
Bodies Corporate	114	24,676	2.49
Individuals	5,337	406,186	41.03
Foreign Nationals	-	-	0.00
HUF	220	12,901	1.30
Clearing Members	12	1,453	0.15
Non Resident Indians	45	3,574	0.36
<b>Total</b>	<b>5,742</b>	<b>990,027</b>	<b>100.00</b>



As on March 31, 2017, 9,47,483 shares (95.70%) of the Company's Equity Capital was held in dematerialised form with NSDL and CDSL and 42,544 shares (4.29%) in physical form. Trading in equity shares of the Company is permitted only in dematerialised form.

### Unclaimed Dividend/Shares

Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') mandates that Companies transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, as per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to a Demat Account

created by the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends. Further, the corresponding shares will be transferred as per the requirements of the IEPF rules, details of which are provided on our website, at [www.tritonvalves.com](http://www.tritonvalves.com)

The Company sends periodic intimation to the concerned shareholders, advising them to lodge their claims with respect to unclaimed dividends. Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF including all benefits accruing on such shares, if any, can be claimed back from IEPF following the procedure prescribed in the Rules. No claim shall lie in respect thereof with the Company

Details of Unclaimed Dividend as on March 31, 2017 and due dates for transfer are as follows:

Sl. No	F.Y. of Declaration of Dividend	Date of Declaration of Dividend	Unclaimed Amount (₹)	Due Date for transfer to IEPF Account
1.	2009-10	June 16, 2010	68,220	July 23, 2017
2.	2010-11	July 15, 2011	188,440	August 21, 2018
3.	2011-12	July 25, 2012	101,233	August 31, 2019
4.	2012-13	July 12, 2013	125,677	August 18, 2020
5.	2013-14	August 14, 2014	117,720	September 20, 2021
6.	2014-15	August 19, 2015	145,876	September 25, 2022
7.	2015-16	August 5, 2016	166,948	September 12, 2023

### Contact Information

#### Registered and Corporate Office:

Triton Valves Limited  
Sunrise Chambers  
22, Ulsoor Road  
Bangalore \_ 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  
P: +91 124 4114115

### 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 received from its Board members as well as senior management personnel affirmation as to compliance with the Code of Conduct for the Financial Year 2016-2017.

Place: Bengaluru  
Date: May 9, 2017

(Aditya M. Gokarn)  
Managing Director

### 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 Srikanth Shenoy, 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 ended March 31, 2017 and that to the best of our knowledge and belief we state that:
- (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 Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the listed Company'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 Company's 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 we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- D. We have indicated to the auditors and the Audit committee:
- (1) significant changes if any in internal control over financial reporting during the year;
  - (2) significant changes if any in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Srikanth Shenoy  
Chief Financial Officer

Aditya M. Gokarn  
Managing Director

Place: Bengaluru  
Date: May 9, 2017

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### 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, 2017, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').
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 Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2017.
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 Brahmayya & Co.,  
Chartered Accountants  
ICAI Firm Registration  
No.000515S

Place: Bengaluru  
Date: May 9, 2017

G. Srinivas  
Partner  
Membership No.086761

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## Independent Auditors' 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, 2017, 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 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, 2017, 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 Note 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.
  - iv. The company had provided requisite disclosures in its financial statements as regards its holdings and dealings in Specified Bank Notes during November 08, 2016 to December 30, 2016, as defined in the Notification S.O 3407(E) dated the November 08, 2016 and it is in accordance with the books of accounts maintained by the company.

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

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

Place: New Delhi  
Date: May 9, 2017

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## 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 all of its fixed assets, verified in a phased manner over a period of three years. In accordance, with this programme, certain fixed assets were verified during the year and no material discrepancies were 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 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, 2017 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	High court of Karnataka	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 Brahmayya & Co.,**  
Chartered Accountants  
ICAI Firm Registration  
No.000515S

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

Place: New Delhi  
Date: May 9, 2017

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## **"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, 2017 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, 2017, 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: New Delhi  
Date: May 9, 2017



# Balance Sheet

as at March 31, 2017

	Notes	As at March 31, 2017	(Amount in ₹) As at March 31, 2016
<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	644,034,488	561,189,926
		653,934,758	571,090,196
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	5	140,899,745	127,800,663
(b) Deferred tax liability (net)	6	34,176,128	27,875,134
(c) Other long-term liabilities	7	490,000	195,000
(d) Long-term provisions	8	11,276,897	14,205,672
		186,842,770	170,076,469
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	9	367,208,488	413,504,146
(b) Trade payables	10		
(i) Dues to micro and small enterprises		5,034,825	35,850,900
(ii) Due to others		68,068,485	29,046,514
(c) Other current liabilities	11	60,577,149	44,790,570
(d) Short-term provisions	8	20,523,165	33,533,842
		521,412,112	556,725,972
<b>TOTAL</b>		<b>1,362,189,640</b>	<b>1,297,892,637</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	642,505,977	600,625,830
(ii) Intangible assets	13	6,007,665	1,420,080
(iii) Capital work-in-progress	12	32,269,330	32,084,261
(b) Non-current investments	14	73,012	73,012
(c) Long-term loans and advances	15	44,066,562	31,859,810
		724,922,546	666,062,993
<b>(2) Current assets</b>			
(a) Inventories	16	278,651,252	236,105,502
(b) Trade receivables	17	305,287,359	352,321,783
(c) Cash and bank balances	18	6,439,571	1,122,625
(d) Short-term loans and advances	15	46,888,912	42,279,733
		637,267,094	631,829,644
<b>TOTAL</b>		<b>1,362,189,640</b>	<b>1,297,892,637</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 Brahmaya & Co.,**  
Chartered Accountants  
ICAI Firm registration number: 000515S

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

Place: Bengaluru  
Date: May 9, 2017

**For and on behalf of the Board of Directors of Triton Valves Limited**

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

**Srikanth Shenoy**  
Chief Financial Officer

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

**Apoorva. G**  
Company Secretary

# Statement of Profit and Loss

for the year ended March 31, 2017

	Notes	March 31, 2017	March 31, 2016
(Amount in ₹)			
<b>I. Income</b>			
(a) Revenue from operations	19	2,071,478,398	1,841,869,957
Less Excise duty		202,704,039	187,497,562
Net revenue from operations		1,868,774,359	1,654,372,395
(b) Other income		20,413,825	1,535,404
<b>Total revenue (i)</b>		<b>1,889,188,184</b>	<b>1,655,907,799</b>
<b>II. Expenses</b>			
(a) Cost of materials consumed	21	1,102,771,195	966,565,927
(b) Changes in inventories of finished goods, work-in-progress	22	(15,572,267)	13,130,250
(c) Employee benefit expenses	23	262,710,014	223,688,860
(d) Other expenses	24	287,436,014	237,814,027
<b>Total (ii)</b>		<b>1,637,344,956</b>	<b>1,441,199,063</b>
<b>III. Earnings before interest, tax, depreciation and amortization (EBITDA) [(i) - (ii)]</b>		251,843,226	214,708,736
<b>IV. Depreciation and amortization expense</b>	25	99,113,146	77,374,218
<b>V. Finance costs</b>	26	49,487,867	49,631,986
<b>VI. Profit / (Loss) before tax (III-IV-V)</b>		103,242,215	87,702,533
<b>VII. Tax expenses</b>			
Current tax (Mat provision)		22,988,547	20,942,914
MAT credit entitlement		(7,853,512)	-
Deferred tax		6,300,994	(4,713,460)
Tax for earlier years		(1,038,378)	1,753,497
Total tax expense		<b>20,397,651</b>	<b>17,982,951</b>
<b>VIII. Profit/(loss) for the year (VI-VII)</b>		<b>82,844,564</b>	<b>69,719,582</b>
<b>IX. Earnings per equity share [nominal value of share ₹ 10/- (March 31, 2016: ₹ 10/-)]</b>			
Basic and Diluted		83.68	70.42
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 Brahmaya & Co.,**  
Chartered Accountants  
ICAI Firm registration number: 000515S

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

Place: Bengaluru  
Date: May 9, 2017

**For and on behalf of the Board of Directors of Triton Valves Limited**

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

**Srikanth Shenoy**  
Chief Financial Officer

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

**Apoorva. G**  
Company Secretary

# Cash Flow Statement

for the year ended March 31, 2017

	Notes	March 31, 2017	(Amount in ₹) March 31, 2016
<b>Cash flow from operating activities</b>			
Profit before tax		103,242,215	87,702,533
Depreciation/ amortization on continuing operations		99,113,146	77,374,218
Interest income		(908,787)	(555,353)
Dividend income		(25,142)	(21,106)
Loss/ (profit) on sale of fixed assets		(110,000)	(150,000)
Sundry debtors (written off)/write back		(12,520,364)	-
Sundry creditors (written back)/written off		-	72,381
Provision for bad and doubtful debts		4,500,000	-
Finance costs		49,487,867	49,631,985
<b>Operating profit before working capital changes</b>		<b>242,778,935</b>	<b>214,054,658</b>
Movements in working capital :			
Increase/ (decrease) in trade payables		8,205,896	(38,553,332)
Increase/ (decrease) in other long term liabilities		295,000	-
Increase/ (decrease) in other current liabilities		2,871	(6,533,204)
Decrease/ (increase) in trade receivables		55,054,788	(27,291,613)
Decrease / (increase) in inventories		(42,545,751)	22,531,914
Decrease / (increase) long term loans and advances		(5,017,132)	(10,798,691)
Decrease / (increase) short term loans and advances		(4,609,178)	(6,944,957)
Increase / (decrease) in long-term provisions		(2,928,775)	14,205,672
Increase / (decrease) in short-term provisions		1,288,201	(10,339,668)
<b>Cash generated from /(used in) operations</b>		<b>252,524,855</b>	<b>150,330,779</b>
Direct taxes paid (net of refunds)		(21,950,169)	(22,696,411)
<b>Net cash flow from/ (used in) operating activities</b>	(A)	<b>230,574,686</b>	<b>127,634,368</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets, including CWIP and capital advances		(145,102,058)	(147,273,017)
Proceeds from sale of fixed assets		110,000	150,000
Interest received		908,787	555,353
Dividends received		25,142	21,106
<b>Net cash flow from/ (used in) investing activities</b>	(B)	<b>(144,058,129)</b>	<b>(146,546,558)</b>

	Notes	March 31, 2017	(Amount in ₹) March 31, 2016
<b>Cash flows from financing activities</b>			
Proceeds from long-term borrowings		50,000,000	100,000,000
Repayment of long-term borrowings		(22,617,210)	(58,503,891)
Proceeds from short-term borrowings		(46,295,658)	37,009,949
Proceeds from long term borrowings/(loan from related party)		1,500,000	4,000,000
Interest paid		(49,487,867)	(49,631,985)
Dividends paid on equity shares		(11,880,324)	(11,880,324)
Tax on equity dividend paid		(2,418,554)	(2,553,772)
<b>Net cash flow from/ (used in) in financing activities</b>	<b>(C)</b>	<b>(81,199,612)</b>	<b>18,439,977</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A + B + C)</b>	<b>5,316,945</b>	<b>(472,213)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,122,626</b>	<b>1,594,839</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>6,439,571</b>	<b>1,122,626</b>
<b>Components of cash and cash equivalents</b>			
Cash on hand		170,750	110,004
With banks - on current account		5,354,707	92,091
- unpaid dividend accounts		914,114	920,531
<b>Total cash and cash equivalents</b>	<b>18</b>	<b>6,439,571</b>	<b>1,122,626</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 Brahmaya & Co.,**  
Chartered Accountants  
ICAI Firm registration number: 000515S

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

Place: Bengaluru  
Date: May 9, 2017

**For and on behalf of the Board of Directors of Triton Valves Limited**

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

**Srikanth Shenoy**  
Chief Financial Officer

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

**Apoorva. G**  
Company Secretary

# Notes forming part of the Financial Statements

## 1. Company overview

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

## 2. Statement of significant accounting policies

### a. Basis of Preparation

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 ₹ 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.

The management estimates the useful lives as follows

Factory & office buildings (including temporary structures)	3-30 years
Residential buildings (including temporary structures)	5-60 years
Plant & machinery	2-15 years
Computer equipments	3-6 years
Office equipments	5-10years
Vehicles	8-10 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.
- (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 the third party actuary.

- (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 the third party actuary.

**m. Accounting for Taxes on Income**

Current tax is determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one year and is capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are computed on the timing differences applying the enacted tax rate. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realized.

**n. Borrowing Cost**

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

**o. Leases**

**Where the Company is lessee:**

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

**Where the Company is lessor:**

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

**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 EBITDA**

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The company measures EBITDA 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.

(Amount in ₹)

**3. SHARE CAPITAL**

	March 31, 2017	March 31, 2016
<b>(a) Authorized shares (Nos.)</b>		
5,000,000 (March 31, 2016: 5,000,000) Equity Shares of ₹ 10 each	50,000,000	50,000,000
<b>(b) Issued, subscribed and fully paid-up shares (Nos.)</b>		
990,027 (March 31, 2016: 990,027) Equity Shares of ₹10 each fully Paid up	9,900,270	9,900,270
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>9,900,270</b>	<b>9,900,270</b>

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

	March 31, 2017		March 31, 2016	
	Nos.	Amount	Nos.	Amount
<b>Equity Shares</b>				
At the beginning of the period	990,027	9,900,270	990,027	9,900,270
Outstanding at the end of the period	990,027	9,900,270	990,027	9,900,270

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

- The Company has only one class of equity shares having a par value of ₹ 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**

	March 31, 2017		March 31, 2016	
	Nos.	% Holding	Nos.	% Holding
<b>Equity shares of Rs.10/- each fully paid</b>				
Mrs.Anuradha Maruti Gokarn	280,041	28.29%	280,041	28.29%
Mrs.Nirmala Murthy	112,506	11.36%	112,506	11.36%
Mr.K Raghunath Shenoy	54,000	5.45%	54,000	5.45%

**4. RESERVES AND SURPLUS**

	March 31, 2017	March 31, 2016
<b>Securities premium account</b>	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	455,934,020	425,934,020
Add: Transfer from the Statement of Profit & Loss	30,000,000	30,000,000
Closing balance	<b>485,934,020</b>	<b>455,934,020</b>
<b>Surplus/ (Deficit) in the Statement of Profit and Loss</b>		
Balance as per last financial statements	90,315,904	64,827,818
Add: Profit for the year	82,844,564	69,719,582
	<b>173,160,468</b>	<b>134,547,400</b>



(Amount in ₹)

<b>Less: Appropriations</b>		
Proposed dividend	-	11,880,324
Tax on dividend	-	2,351,170
General reserve	30,000,000	30,000,000
<b>Total appropriations</b>	<b>30,000,000</b>	<b>44,231,494</b>
<b>Net surplus / (deficit) in the Statement of Profit and Loss</b>	<b>143,160,468</b>	<b>90,315,906</b>
<b>Total Reserves and Surplus</b>	<b>644,034,488</b>	<b>561,189,926</b>

## 5. LONG-TERM BORROWINGS

	Non-current		Current maturities	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
<b>Term loans</b>				
From banks				
Indian Rupee loans	99,399,745	87,800,664	37,553,472	21,769,764
<b>Loans &amp; advances from related parties</b>				
Loan from directors	41,500,000	40,000,000	-	-
	<b>140,899,745</b>	<b>127,800,663</b>	<b>37,553,472</b>	<b>21,769,764</b>
<b>The above amount includes</b>				
Secured borrowings	99,399,745	87,800,663	37,553,472	21,769,764
Unsecured borrowings	41,500,000	40,000,000	-	-
Amount disclosed under the head "other current liabilities" (note 11)	-	-	(37,553,472)	(21,769,764)
<b>Net amount</b>	<b>140,899,745</b>	<b>127,800,663</b>	<b>-</b>	<b>-</b>

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

- Term Loan-I from HDFC Bank carrying interest rate @ 10.55% p.a. and repayable in 48 equated monthly installments beginning from September, 2016.
- Term Loan-II from HDFC Bank carrying interest rate @ 10.55% p.a. and repayable in 59 equated monthly installments beginning from March 2017.
- 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.

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

- by way of First pari passu charge, on hypothecation of all the plant and machinery at the Company's existing plant at Belavadi Industrial Area and Hebbal Industrial Estate, Mysore, Company's Registered Office and Company Flat at Bangalore,
- by way of First pari passu charge, on Equitable mortgage of Land and Building at Belavadi Industrial Area and Hebbal Industrial area, Mysore, Company's Registered Office and Company Flat at Bangalore,
- by way of Second Paripassu charge, on hypothecation of Company's entire current assets including stocks of raw material, semi 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
- further secured by personal guarantee of the Managing Director.

iii. Loan from Directors carries an Interest @ 10.50% and the Loan is repayable after March 31, 2018.

(Amount in ₹)

**6. DEFERRED TAX LIABILITY (NET)**

	March 31, 2017	March 31, 2016
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization	41,414,542	34,264,408
<b>Gross deferred tax liability</b>	<b>41,414,542</b>	<b>34,264,408</b>
<b>Deferred tax asset</b>		
Employee benefits	7,238,414	6,389,274
Others	-	-
<b>Gross deferred tax asset</b>	<b>7,238,414</b>	<b>6,389,274</b>
<b>Net deferred tax liability</b>	<b>34,176,128</b>	<b>27,875,134</b>

**7. OTHER LONG-TERM LIABILITIES**

	March 31, 2017	March 31, 2016
Dealer deposits (interest free)	140,000	45,000
Others	350,000	150,000
	<b>490,000</b>	<b>195,000</b>

**8. PROVISIONS**

	Non-current		Current	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
<b>Provision for employee benefits</b>				
Provision for gratuity	10,751,307	13,116,451	4,595,981	4,096,931
Provision for leave benefits	525,590	1,089,221	1,519,916	1,021,941
Provision for other employee benefits	-	-	14,407,268	14,116,092
	<b>11,276,897</b>	<b>14,205,672</b>	<b>20,523,165</b>	<b>19,234,964</b>
<b>Other provision</b>				
Provision for equity dividend	-	-	-	11,880,324
Provision for tax on proposed equity dividend	-	-	-	2,418,554
Provision for tax (net off advance tax)	-	-	-	-
	-	-	-	<b>14,298,878</b>
	<b>11,276,897</b>	<b>14,205,672</b>	<b>20,523,165</b>	<b>33,533,842</b>

**9. SHORT-TERM BORROWINGS**

	March 31, 2017	March 31, 2016
(i) Cash credit from banks	367,208,488	413,504,146
	<b>367,208,488</b>	<b>413,504,146</b>
<b>The above amount includes</b>		
Secured borrowings	367,208,488	413,504,146
Unsecured borrowings	-	-

(Amount in ₹)

Cash credit from banks carry interest rate @ 9.80% - 10.60 % p.a. and are repayable on demand

**(i) Cash credit from banks are secured:**

- (a) by way of first paripassu charge, on hypothecation of Company's entire current assets including stocks of raw material, semi finished goods and finished goods, consumable stores and spares and such other movables, book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future,
- (b) by way of second paripassu charge, on hypothecation of all the plant and machinery at the company's existing plant at Belavadi Industrial Area, Hebbal Industrial Area, Mysore and Company's registered office and Company flat at Bangalore,
- (c) by way of second paripassu charge, on equitable mortgage of Land and Building at Belavadi Industrial Area and Hebbal Industrial area, Mysore, Company's registered office and Company flat at Bangalore.
- (d) further secured by personal guarantee of the Managing Director.

**10. TRADE PAYABLES**

	March 31, 2017	March 31, 2016
Trade payable		
- dues to enterprises covered under MSMED Act, 2006 (refer Note No.28)	5,034,825	35,585,900
- others	68,068,485	29,046,541
	<b>73,103,310</b>	<b>64,897,414</b>

**11. OTHER CURRENT LIABILITIES**

	March 31, 2017	March 31, 2016
Current maturities of long-term borrowings (note 5)	37,553,472	21,769,764
Unpaid dividend	908,806	915,034
Statutory dues	9,852,964	9,920,928
Others	12,261,907	12,184,844
	<b>60,577,148</b>	<b>44,790,570</b>

(Amount in ₹)

12 Tangible assets	Land	Buildings	Plant and Machinery	Computer Equipments	Office Equipments	Vehicles	Furniture & Fixtures	TOTAL	Intangible Assets	Total
<b>Cost or valuation</b>										
<b>At April 1, 2015</b>	15,037,330	307,033,150	687,130,223	13,148,251	4,835,234	5,369,483	17,557,979	1,050,111,650	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	-	-
AS - 11 adjustments	-	-	-	-	-	-	-	-	-	-
Borrowing cost adjustments	-	-	-	-	-	-	-	-	-	-
<b>At March 31, 2016</b>	15,037,330	332,253,904	781,536,214	13,942,969	5,344,329	4,328,600	18,423,425	1,170,866,771	2,659,214	2,659,214
Additions	-	24,082,978	110,777,011	1,163,694	1,506,694	-	2,459,099	139,989,476	5,591,402	5,591,402
Disposals	-	-	-	312,104	-	-	-	312,104	-	-
Borrowing cost adjustments	-	-	-	-	-	-	-	-	-	-
<b>At March 31, 2017</b>	15,037,330	356,336,883	892,313,225	14,794,559	6,851,023	4,328,600	20,882,524	1,310,544,143	8,250,616	8,250,616
<b>Depreciation</b>										
<b>At April 1, 2015</b>	-	61,875,529	403,955,114	12,216,786	4,191,781	2,229,240	9,856,938	494,325,388	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	-	-
<b>At March 31, 2016</b>	-	75,718,236	463,275,139	12,766,799	4,619,932	1,717,892	12,142,943	570,240,941	1,239,134	1,239,134
Charge for the year	-	14,155,640	80,128,151	723,325	296,950	474,522	2,330,741	98,109,329	1,003,817	1,003,817
Adjustments*	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	312,104	-	-	-	312,104	-	-
<b>At March 31, 2017</b>	-	89,873,876	543,403,290	13,178,020	4,916,882	2,192,414	14,473,684	668,038,166	2,242,951	2,242,951
<b>Net Block</b>										
<b>At March 31, 2016</b>	15,037,330	256,535,668	318,261,075	1,176,170	724,397	2,610,708	6,280,482	600,625,830	1,420,080	1,420,080
<b>At March 31, 2017</b>	15,037,330	266,463,006	348,909,935	1,616,539	1,934,141	2,136,186	6,408,840	642,505,977	6,007,665	6,007,665

13 Capital work-in-progress	As at March 31, 2017	As at March 31, 2016
Machinery	22,859,331	18,122,616
Building	6,900,868	13,672,350
Others	2,509,131	289,295
	32,269,330	32,084,261

(Amount in ₹)

**14. INVESTMENTS (valued at cost unless stated otherwise)**

Name of the Company	Number of Shares as at March 31, 2017	Number of Shares as at March 31, 2016	Face value per Share	Market value per share as on March 31, 2017
<b>Investments in equity instruments (trade - quoted)</b>				
Apollo Tyres Ltd	500	500	1	209
T.V.S. Srichakra Tyre Ltd	100	100	10	3,490
MRF Ltd	50	50	10	60,724
J.K.Tyre & Industries Ltd	300	300	2	131
Ceat Limited	37	37	10	1,324
Goodyear India Ltd	200	200	10	845
Govind Rubber Ltd	200	200	10	34
Modi Rubber Ltd	50	50	10	92
<b>Investment in equity instruments (trade - unquoted)</b>				
Dewan Tyres Ltd.	100	100	10	-
Bombay Tyres International Ltd	50	50	10	-
Dunlop India Ltd	100	100	10	-
<b>Investment in equity instruments (non-trade - quoted)</b>				
ICICI Bank Ltd	2,040	2,040	2	277
Bengal & Assam Company Ltd.	4	4	10	1,711
J.K.Agri Genetics Limited	3	3	10	590
Summit Securities Limited	2	2	10	550
Dhampur Sugar Mills limited	1	1	10	217
Florence Investech Limited	2	2	10	826

(Aggregate market value of quoted equity shares is ₹43,35,214/- (March 31, 2016 ₹28,87,446/))

**15. LOANS AND ADVANCES**

	Non-current		Current	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
<b>Capital advances</b>				
Unsecured, considered good	14,515,471	15,179,363	-	-
(A)	<b>14,515,471</b>	<b>15,179,363</b>	-	-
<b>Security deposit</b>				
Unsecured, considered good	6,137,278	5,588,787	3,491,346	9,296,141
(B)	<b>6,137,278</b>	<b>5,588,787</b>	<b>3,491,346</b>	<b>9,296,141</b>
<b>Other loans and advances</b>				
Advance Income-tax (net off provision for taxation)	15,560,301	7,213,625	-	-
Advances to suppliers	-	-	13,028,727	12,852,649
Prepaid expenses	-	-	3,450,000	2,869,162

			(Amount in ₹)	
Loans to employees	-	-	1,854,902	1,928,127
Balances with statutory / government authorities	-	-	20,728,085	15,104,265
MAT credit entitlement	7,853,512	3,878,035	-	-
Others	-	-	4,335,852	229,389
<b>(C)</b>	<b>23,413,813</b>	<b>11,091,660</b>	<b>43,397,566</b>	<b>32,983,593</b>
<b>Total (A+B+C)</b>	<b>44,066,562</b>	<b>31,859,810</b>	<b>46,888,912</b>	<b>42,279,734</b>

#### 16. INVENTORIES (valued at lower of cost and net realizable value)

	March 31, 2017	March 31, 2016
Raw materials and components	104,086,283	82,754,761
Work-in-progress	74,780,049	59,230,268
Finished goods*	47,666,408	47,643,922
Packing materials	1,163,885	1,328,316
Stores and spares	49,291,032	43,111,655
Stock in hand of CS & FS	1,663,595	2,036,579
	<b>278,651,252</b>	<b>236,105,502</b>

\* Includes provision made for excise duty payable on unsold stock of finished goods

#### 17. TRADE RECEIVABLES

	Current	
	March 31, 2017	March 31, 2016
<b>Trade Receivable</b>		
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good	-	-
Unsecured, considered good	18,427,079	30,134,749
Doubtful	9,874,699	-
<b>(A)</b>	<b>28,301,778</b>	<b>30,134,749</b>
<b>Less: Provison for bad debts</b>	4,500,000	
	<b>23,801,778</b>	<b>30,134,749</b>
<b>Other Receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	281,485,581	322,187,034
Doubtful	-	-
	<b>281,485,581</b>	<b>322,187,034</b>
Provision for doubtful trade receivables	-	-
<b>(B)</b>	<b>281,485,581</b>	<b>322,187,034</b>
<b>Total (A+B)</b>	<b>305,287,359</b>	<b>352,321,783</b>

(Amount in ₹)

**18. CASH AND BANK BALANCES**

	Current	
	March 31, 2017	March 31, 2016
<b>Balances with banks:</b>		
On current accounts	5,354,707	92,091
Cash on hand	170,750	110,004
	<b>5,525,457</b>	<b>202,095</b>
<b>Other Bank balances</b>		
On Unpaid Dividend Account	914,114	920,531
	<b>914,114</b>	<b>920,531</b>
Amount disclosed under non-current assets (note 15.2)	-	-
<b>Total</b>	<b>6,439,571</b>	<b>1,122,626</b>

**19. REVENUE FROM OPERATIONS**

	March 31, 2017	March 31, 2016
Sale of products	1,867,785,642	1,674,542,118
Other operating Income	203,692,756	167,327,839
	<b>2,071,478,398</b>	<b>1,841,869,957</b>
Less :excise duty paid	202,704,039	187,497,562
Revenue from operations	<b>1,868,774,359</b>	<b>1,654,372,395</b>

**20. OTHER INCOME**

	March 31, 2017	March 31, 2016
<b>Interest income on</b>		
Interest received	908,787	555,353
Dividend income on long-term investments	25,142	21,106
Gain on account of foreign exchange fluctuations (net)	17,783,771	-
Profit on sale of fixed assets (net) (including CWIP)	110,000	150,000
Creditors written back	-	-
Export incentive received	1,166,125	449,623
Rent received	420,000	277,200
Other non-operating income	-	82,122
	<b>20,413,825</b>	<b>1,535,404</b>

**21. COST OF MATERIAL CONSUMED**

	March 31, 2017	March 31, 2016
Opening stock	82,754,761	95,140,210
Add: Purchases during the year	1,124,102,717	954,180,478
Less: Closing stock	104,086,283	82,754,761
	<b>1,102,771,195</b>	<b>966,565,927</b>

(Amount in ₹)

**22. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK - IN - PROGRESS**

	March 31, 2017	March 31, 2016
Inventories at the end of the year		
Work-in-progress	74,780,049	59,230,268
Finished goods	47,666,408	47,643,922
	<b>122,446,457</b>	<b>106,874,190</b>
Inventories at the beginning of the year		
Work-in-progress	59,230,268	66,967,749
Finished goods	47,643,922	53,036,690
	106,874,190	120,004,439
	<b>(15,572,267)</b>	<b>13,130,250</b>

**23. EMPLOYEE BENEFIT EXPENSE**

	March 31, 2017	March 31, 2016
Salaries, wages and bonus	222,166,991	186,421,906
Contribution to provident and other fund	10,626,239	9,826,885
Gratuity, leave encashment and superannuation expenses	11,717,910	10,547,849
Staff welfare expenses	10,930,040	10,336,094
Managing director's remuneration	7,268,834	6,556,126
	<b>262,710,014</b>	<b>223,688,860</b>

**24. OTHER EXPENSES**

	March 31, 2017	March 31, 2016
<b>Administrative expenses</b>		
Electricity and water charges	43,537,749	36,449,721
Other manufacturing expenses	28,369,976	31,187,747
Carriage inwards	6,102,415	4,789,949
Rent	1,281,716	893,476
Rates and taxes	1,972,727	2,667,422
Insurance	3,198,746	2,973,117
<b>Repairs and maintenance</b>		
Plant and machinery	1,135,418	705,133
Buildings	3,788,385	1,001,619
Others	5,340,137	2,146,141
Exchange fluctuation loss	-	3,776,799
Advertising and sales promotion	8,065,640	9,082,861
Travelling and conveyance	8,085,917	7,316,641
Communication costs	2,677,237	1,054,502
Printing and stationery	2,958,485	2,289,127
Legal and professional fees	12,139,016	7,874,163
Directors' sitting fees	850,000	390,000
Directors' commission	1,169,202	964,363



(Amount in ₹)

Payment to statutory auditor's (Refer details below)	1,055,316	636,287
Vehicle maintenance	396,179	493,791
Watch & ward	5,265,272	3,663,014
Light & water	185,890	177,740
Packing & forwarding	49,776,998	35,776,874
Stores & spares consumed	79,338,446	78,048,033
Donation	106,000	40,000
CSR expenditure (Refer details below)	1,494,475	1,143,030
Provision for doubtful trade receivables	4,500,000	-
Bad debts written off	12,520,364	-
Miscellaneous expenses	2,124,308	2,272,476
	<b>287,436,014</b>	<b>237,814,027</b>

**Payment to statutory auditors**

	March 31, 2017	March 31, 2016
Statutory audit fee	800,000	400,000
Tax Audit fee	100,000	100,000
Vat audit fee	50,000	-
Reimbursement of expenses	105,316	136,287
	<b>1,055,316</b>	<b>636,287</b>

**CSR Expenditure**

Gross amount required to be spent by the company during the year is ₹14,94,474/-

Amount Spent During the Year	Paid	Yet to be paid	Total
On construction or acquisition of any asset	-	-	-
On purpose other than above	1,494,475	-	1,494,475
<b>Total</b>	<b>1,494,475</b>	<b>-</b>	<b>1,494,475</b>

**25. DEPRECIATION AND AMORTISATION EXPENSE**

	March 31, 2017	March 31, 2016
Depreciation of tangible assets	98,109,329	76,956,436
Amortization of intangible assets	1,003,817	417,782
	<b>99,113,146</b>	<b>77,374,218</b>

**26. FINANCE COSTS**

	March 31, 2017	March 31, 2016
Interest expenses	46,301,316	44,995,210
Other borrowing costs	3,186,551	4,636,775
	<b>49,487,867</b>	<b>49,631,986</b>

(Amount in ₹)

<b>27 CONTINGENT LIABILITIES</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
a) Letters of credit outstanding	62,780,983	52,598,417
b) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	32,395,392	26,493,317
c) In respect of Income-tax matters	2,327,115	2,327,115
d) Bank Guarantee	2,700,000	8,100,000

**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 March 31, 2017. 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 March 31, 2017 is ₹4,50,53,709/- (March 31, 2016, ₹3,68,66,912/-) 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 March 31, 2017**

The following tables sets out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at March 31, 2016

<b>a) Assumption :</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Discount Rate	7.34%	7.80%
Salary Escalation	9.00%	9.00%
<b>b) Table showing changes in present value of obligation:</b>		
Present value of obligation as at beginning of year	36,866,912	29,455,318
Interest cost	2,816,658	2,249,944
Current service cost	3,624,868	3,387,727
Benefits paid	(1,511,820)	(1,219,763)
Actuarial (gain) / loss on obligation	3,257,091	2,993,686
Present value of obligation as at end of year	<b>45,053,709</b>	<b>36,866,912</b>
<b>c) Table showing changes in the fair value of plan Assets:</b>		
Fair value of plan assets at beginning of year	19,653,530	17,085,185
Expected return on plan assets	1,761,644	1,382,437
Contributions	10,200,000	2,500,000
Benefits paid	(1,511,820)	(1,219,763)
Actuarial gain / (loss) on plan assets	(396,933)	(94,329)
Fair value of plan assets at the end of year	<b>29,706,421</b>	<b>19,653,530</b>
<b>d) Actuarial Gain / Loss recognised :</b>		
Actuarial (gain) / loss on obligations	(3,257,091)	(2,993,685)
Actuarial (gain) / loss the year - plan assets	-	-
Total (gain) / loss for the year	(3,257,091)	(2,993,685)
Actuarial (gain) / loss recognised in the year	<b>(3,257,091)</b>	<b>(2,993,685)</b>

(Amount in ₹)

<b>e) The amount to be recognised in the Balance Sheet and statement of Profit and Loss :</b>		
Present value of obligation as at the end of the year	45,053,709	36,866,912
Fair value of plan assets as at the end of the year	29,706,421	19,653,530
Funded status	(15,347,288)	(17,213,382)
<b>Net asset / (liability) recognised in Balance Sheet</b>	<b>(15,347,288)</b>	<b>(17,213,382)</b>

(Amount in ₹)

- 30** The actuarial value of Leave Encashment liability As at March 31, 2017 is ₹ 64,97,225/- (March 31, 2016, ₹ 51,23,265/-) 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 March 31, 2017**

<b>a) Assumption :</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Discount rate	7.34%	7.80%
Salary escalation	9.00%	9.00%
<b>b) Table Showing changes in present value of Obligation:</b>		
Present value of obligation as at beginning of year	5,123,265	4,912,794
Interest cost	396,265	309,757
Current service cost	2,207,065	1,862,067
Benefits paid	(85,890)	(1,883,093)
Actuarial (gain) / loss on obligation	(1,143,479)	(78,260)
<b>Present value of obligation as at end of year</b>	<b>6,497,226</b>	<b>5,123,265</b>
<b>c) Table showing changes in the fair value of Plan Assets:</b>		
Fair value of plan assets at beginning of year	3,012,103	3,849,458
Expected return on plan assets	272,982	405,751
Contributions	1,332,000	824,000
Benefits Paid	(85,890)	(1,883,093)
Actuarial gain / (loss) on Plan assets	(79,475)	(184,013)
<b>Fair value of plan assets at the end of year</b>	<b>4,451,720</b>	<b>3,012,103</b>
<b>d) Actuarial Gain / Loss Recognised :</b>		
Actuarial (gain) / loss on obligations	(1,143,479)	(78,260)
Actuarial (gain) / loss the year - plan assets	(79,475)	(184,013)
Total (gain) / loss for the year	(1,222,954)	(262,273)
<b>Actuarial (gain) / loss recognised in the year</b>	<b>(1,222,954)</b>	<b>(262,273)</b>
<b>e) The amount to be recognised in the Balance Sheet and Statement of Profit and Loss :</b>		
Present value of obligation as at the end of the year	6,497,226	(1,063,366)
Fair value of plan assets as at the end of the year	4,451,720	3,012,103
Funded status	(2,045,506)	(2,111,162)
<b>Net asset / (liability) recognised in Balance Sheet</b>	<b>(2,045,506)</b>	<b>2,111,162</b>

**31 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**

- (i) M/s Suvadhan, Bangalore Partnership Firm  
(ii) Mrs. Anuradha M.Gokarn & Mr.Aditya M.Gokarn.  
**(iii) Transaction with the above related party.**

**Nature of Relationship**

- Firm where directors are interested  
Key Management Personnel

	March 31, 2017	March 31, 2016
<b>(a) Nature of Transactions:</b>		
Suvadhan, Bangalore		
Purchase of Goods & Services (Inclusive of taxes)	1,707,258	3,613,213
<b>(b) Interest paid to directors</b>		
Aditya M Gokarn	23,877	109,766
Anuradha M Gokarn	4,250,350	4,081,526
<b>(c) Loan from directors</b>		
Anuradha M Gokarn	2,500,000	4,000,000
<b>(d) Loan repaid to directors</b>		
Aditya M Gokarn	1,000,000	-
<b>(e) Balance as at March 31, 2017</b>		
<b>Payable</b>		
(i) Anuradha M Gokarn	41,500,000	39,000,000
(ii) Aditya M. Gokarn	-	1,000,000
(ii) Suvadhan	54,468	389,460
<b>(f) Director's sitting fees</b>		
(i) Dr. B R Pai	300,000	130,000
(ii) Anuradha M Gokarn	225,000	130,000
(iii) S K Welling	300,000	130,000
(iv) Tamhant Jain	25,000	-
<b>(g) Director's commission</b>		
(i) Dr. B R Pai	374,519	321,454
(ii) Anuradha M Gokarn	374,519	321,454
(iii) S K Welling	374,519	321,454
(iv) Tamhant Jain	45,645	-
<b>(iv) Managerial remuneration:</b>		
(i) Mr.Aditya M. Gokarn	7,268,834	6,556,126

**32 Basic and Diluted Earnings per Share:**

	March 31, 2017	March 31, 2016
(a) Profit after Tax	82,844,564	69,719,582
(b) Number of equity shares	990,027	990,027
Earning per Share- basic and diluted	83.68	70.42

(Amount in ₹)

<b>33.1 a) CIF Value of Imports :</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
i) Raw Materials	914,770,121	796,030,197
ii) Stores & Spares	9,385,572	6,203,527
iii) Machinery	72,627,394	45,669,930
<b>Total</b>	<b>996,783,087</b>	<b>847,903,654</b>
<b>b) Expenditure in Foreign Currency :</b>		
i) Travelling	1,972,727	2,938,309
<b>Total</b>	<b>998,755,814</b>	<b>850,841,963</b>

<b>c) Value of Imported and Indigenous Materials Consumed :</b>	<b>For the year ended March 31, 2017</b>		<b>For the year ended March 31, 2016</b>	
	<b>Value (₹)</b>	<b>% to total consumption</b>	<b>Value (₹)</b>	<b>% to total consumption</b>
<b>i) Raw Materials</b>				
Imported	886,523,538	80	806,537,281	83
Indigenous	216,247,657	20	160,028,646	17
<b>Total</b>	<b>1,102,771,195</b>	<b>100</b>	<b>966,565,927</b>	<b>100</b>
<b>ii) Stores, Spares &amp; Components :</b>				
Imported	2,174,195	3	5,988,143	8
Indigenous	77,164,251	97	72,059,889	92
<b>Total</b>	<b>79,338,446</b>	<b>100</b>	<b>78,048,032</b>	<b>100</b>

<b>33.2 Earnings in Foreign Exchange on FOB Basis:</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
	<b>(₹)</b>	<b>(₹)</b>
Export of goods	293,910,078	227,373,417
<b>Total</b>	<b>293,910,078</b>	<b>227,373,417</b>

#### **34 Specified bank notes held and transacted during the period November 8, 2016 to December 30, 2016**

<b>Particulars</b>	<b>Specified bank notes</b>	<b>Other denomination notes</b>	<b>Total</b>
Closing cash in hand as on November 8, 2016	67,500	36,299	103,799
(+) Permitted receipts	-	484,911	484,911
(-) Permitted payments	-	431,339	431,339
(-) Amount deposited in Banks	67,500	-	67,500
<b>Closing cash in hand as on December 30, 2016</b>	<b>-</b>	<b>89,871</b>	<b>89,871</b>

### 35 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, 2017 is NIL (March 31, 2016 \_ NIL)

b) Unhedged foreign currency exposures:

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

Assets	For the year ended March 31, 2017		For the year ended March 31, 2016		
	Foreign Currency	Equivalent in ₹	Foreign Currency	Equivalent in ₹	
i) Trade receivables					
	USD	408,671	26,502,335	504,269	33,410,332
	NZD	2,191	142,055		
<b>Liabilities</b>					
i) Trade payable					
	USD	370,427	24,022,181	327,001	21,665,454
	EURO	1,802	124,854	12,246	923,314
ii) Foreign currency loans					
	USD	1,837,207	119,142,891	1,283,355	85,028,668

36 The Board of Directors recommended 150% dividend. (₹15/- per Equity Share).

37 Previous year figures have been regrouped/rearranged wherever necessary to make comparable with the current period.

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

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

Place: Bengaluru  
Date: May 9, 2017

**For and on behalf of the Board of Directors of Triton Valves Limited**

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

**Srikanth Shenoy**  
Chief Financial Officer

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

**Apoorva. G**  
Company Secretary

## NOTES

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## NOTES

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**TRITON**  
VALVES LTD

Challenging Excellence

**TRITON VALVES LIMITED:**

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CIN : L25119KA1975PLC002867