



TRITON
VALVES LTD

Challenging Excellence

July 31, 2018

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 2017-18

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report for the Financial Year 2017-18 as it has been approved and adopted in the 42nd Annual General Meeting of the Company held on July 26, 2018.

Request you to kindly take the same on records.

Thanking you,

Yours Sincerely,
For Triton Valves Limited


Apoorva G
Company Secretary



Encl: a/a



TOUCHING LIVES.
MOVING INDIA.

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Forward-looking Statements

This Annual Report contains forward-looking statements to enable investors to comprehend our future plans and prospects. These statements spell out anticipated results based on the management's plans and assumptions. Such statements can be identified with the use of words like 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and other words of similar meaning. The Company does not guarantee that these forward-looking statements will be realized, although the management believes that they have been prudent in their assumptions. The achievement of the Company's results is subject to risks, uncertainties and even inaccurate assumptions. The actual results, performance or achievements of the business could, thus, differ materially from those anticipated, estimated or projected in the Report. Readers should bear this in mind that the Company will undertake no obligation to publicly update or modify any forward-looking statements, on the basis of subsequent developments, information or future events. The Company has sourced the industry information from publicly available resources and has not verified this data independently.

An aerial night view of a city, likely Mumbai, India, showing a busy highway with traffic, illuminated buildings, and a waterfront area. The city lights are visible in the background, and the highway is filled with cars and streetlights.

TOUCHING LIVES. MOVING INDIA.

In our journey through four decades, Triton Valves has played a silent but important role in the lives of people. Our range of products perform safely and efficiently in all types of vehicles, starting from mopeds, scooters and motorcycles to passenger cars, trucks, earthmovers and even aircraft. Triton Valves have a critical task in tyre inflation, ensuring that vehicles function smoothly, safely and with control. Our focus on consolidation and diversification has taken us a step closer to people through our new range of valves for air-conditioners. At Triton, business is not just about growth by numbers, it is about touching lives and contributing our mite to the cause of safety.

Our objective is to contribute to society by producing the best quality and the safest, most reliable tyre valves and cores which in turn will ensure safety in the movement of people and goods in India and around the world.

About the Company



Corporate Snapshot

Incorporated in 1975 by our visionary founder M.V.Gokarn, Triton began manufacturing valves for the tyre and inner tube industry in 1978 and quickly emerged as a market leader in India. With the advent of tubeless tyres, Triton began manufacturing tubeless tyre valves and evolved from a Tier 2 to a Tier 1 supplier to the automobile industry.

With its strong focus on product quality and R&D, Triton has now evolved into a precision manufacturer and critical supplier of valves and components to a diverse range of customers and industries from air-conditioning and hydraulics to aerospace, mining, defence and industrial HVAC & R.

We are headquartered in Bengaluru, India and our manufacturing facilities and R&D Center are located in Mysuru. We also operate warehouses in Bengaluru, Chennai and Delhi in order to serve our customers with Just-In-Time deliveries. All our facilities conform to IATF 16949, ISO 14001 and BS OHSAS 18001 standards.

Our Vision

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.

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 might be. Always on the trail of newer frontiers and benchmarks, philosophies like 'get it right the first time', 'zero defect' and 'customer comes first' are a way of life with us.

PASSION

We wear the Triton badge of passion on our hearts and it is this passion that allows us common people to attain uncommon results every time. Team Triton has always been about coming together, sharing together, working together and succeeding together.



CUSTOMER SUCCESS

At Triton, we don't aim to merely satisfy our customers. It is the success of our customers for which we strive. We truly believe that our customers' success is our success.

ETHICS

At Triton, uncompromising ethics is rooted in our very DNA. We are committed to being transparent, fair and honest and we work with the highest level of integrity with respect to our people, the environment and society at large.

JOY OF LIFE

The smile on a customer's face, the thrill of solving a problem 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.

The Company is certified for the IATF 16949 Quality Standard, ISO 14001 Environment Management Standard and BS OHSAS 18001 Occupational Health and Safety Standard.

Competitive Strengths

Triton's reputation for quality, delivery and customer service has earned the Company the trust of leading Original Equipment Manufacturers (OEMs). Its philosophies like 'get it right the first time', 'zero defect' and 'customer comes first' have become a way of life for our employees. It has enabled us to carve out a prominent position in every segment in the markets in which we operate. Further, the Company enjoys a distinct advantage 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.



Board of Directors



S K Welling
Chairman



Anuradha M Gokarn
Non-Executive Director



Dr B R Pai
Independent Non-Executive Director



Aditya M Gokarn
Managing Director



Tamhant Jain
Independent Non-Executive Director



Prashanth Nayak
Independent Non-Executive Director



Chairman's Message



FY 2017-18 was primarily focused on consolidation and diversification,

Dear Shareholders,

Triton Valves continues to strongly maintain its motto of 'Touching Lives. Moving India' with the realization that its products play a significant role in the lives and safety of people. This motivates the Company to strive for perfection. Triton Valves play a critical role in tyre inflation and ensure that vehicles move smoothly, safely and with control. With the addition of products for the air-conditioning segment, Triton is now playing a silent but critical role in people's homes, providing high quality and leakage-free valves for air-conditioners.

FY 2017-18 was primarily focused on consolidation and diversification.

The Company has diversified into manufacturing valves for air-conditioners in both the industrial and home segments, thus growing in different domains and adding more products and applications to its portfolio. The Company has also formally entered the aftermarket segment for tyre valves and accessories and has significantly increased its presence at the tyre shop level across the country. An e-commerce application was also launched to enable the aftermarket to access Triton's wide portfolio of OEM quality products. Triton has also enlarged its footprint in the global market during the year with an ever-growing presence in the Middle-east and Southeast Asia.

GST Implementation and Macroeconomic Developments

A major milestone in the economic history of India was the implementation of GST from July 1, 2017. The Company successfully made the transition to GST having made all the necessary preparations. The Company has benefited by GST on three counts—firstly, tax compliance has been simplified, secondly supply chains have become more cost-efficient and competitive after removal of the cascading Central Sales Tax and lastly GST has created a level playing field for the industry with India becoming a single integrated market. The Government's move of raising import duties on tyres

and imposition of Anti Dumping Duties on Chinese tyres has helped reduce the import of tyres into the Indian market thereby boosting the domestic market. In light of these developments, the prospects for the tyre industry appear to be positive for the next few years.

Financial Highlights

Your Company has performed well in terms of top line growth during the year. Net sales increased by 9.3% to ₹ 226 crore in FY 2017-18. In spite of the best efforts of the management team, however, the Company's bottom line did not grow as expected on account of the steep increase in the cost of brass, the major raw material consumed by the Company. The global prices of copper and zinc have been continuously rising since September 2017 making it difficult to recover the increases from customers. In spite of this challenge, the management team has done a commendable job to control expenses and ensure that the profitability of the Company did not take a very significant hit.

The key financial indicators for the year were as follows:

- Net Revenue for the year from operations increased to ₹ 226.49 crore from ₹ 207.14 crore in the previous year
- Profit Before Tax decreased to ₹ 8.81 crore from ₹ 10.84 crore in the previous year
- Profit After Tax decreased to ₹ 6.64 crore from ₹ 8.42 crore in the previous year
- Earnings Per Share aggregated to ₹ 66.03 as compared to ₹ 87.69 in the previous year

Your Board of Directors having thoroughly reviewed the performance and having analyzed and assessed the future potential of the Company have recommended, subject to the approval of the shareholders, a dividend of ₹ 15 per equity share of ₹ 10 (150%) to the members, the same as in the previous year. This stable dividend recommendation reflects the confidence of the Board in the future potential and capability of the Company to improve and sustain a higher level of profitability.

Research and Development

The Company continues to invest in increasing capacities, improving manufacturing technology and developing new products. During the year, the Company incurred a capital investment including capital advances of ₹ 11 crore and an R&D expense of ₹ 3.35 crore. The R&D Center which is recognized by the Department of Science and Technology has performed well and has added significant value to the Company. During the year, several patent applications have been filed in line with the objective of creating a strong intellectual property base for the Company in future. The Company has also partnered with both industry and academia in not just developing new products but also in creating roadmaps and putting in place processes for developing new products in step with technological changes which are sweeping across the industry.

Outlook for the year ahead

The Company is confident about the year ahead. Internally, many initiatives taken during the previous year will manifest their full year impact in the year ahead, while the external environment in terms of market demand and economic factors are expected to be favorable.

The strategic direction of the Company can be encapsulated in the following four points:

- Focus on expanding customer base and increasing market share
- Strengthen competitiveness by strong focus on cost controls
- Improve financial discipline to improve operating margins and cashflows
- Streamline internal systems and processes to improve business efficiencies across the board

The Company continues to strive to achieve greater heights, delivering greater value not only to its customers and shareholders, but to all its stakeholders – employees, vendors, the environment and society at large. I thank all the employees for their hard work, dedication and unstinted support. Thank you dear stakeholders for your trust and faith reposed in the Company over the years. I look forward to interact with you in another positive and rewarding year ahead.

With Regards,

SK Welling
Chairman

Reaching Out, Transforming Lives

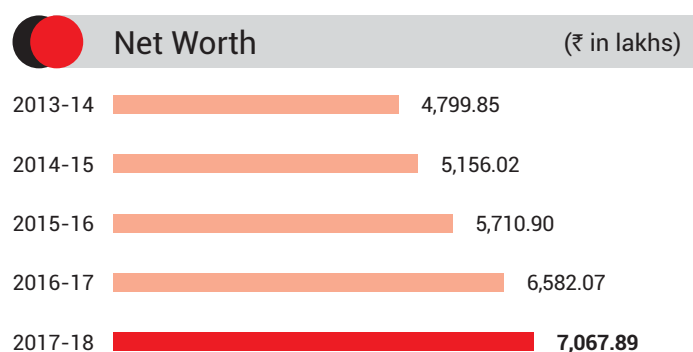
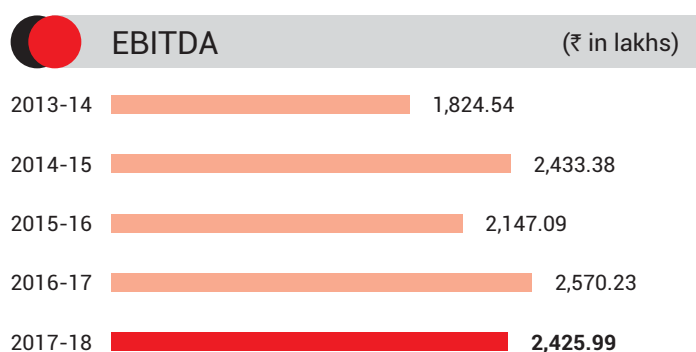
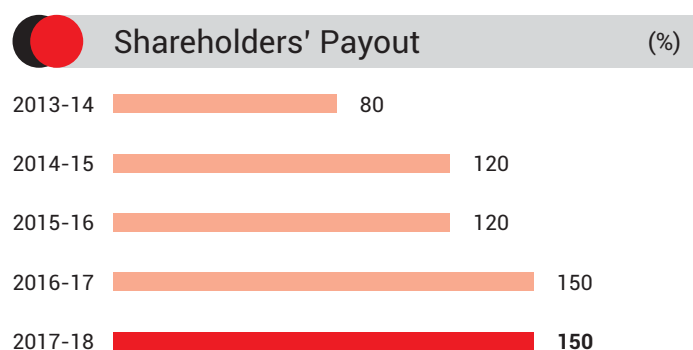
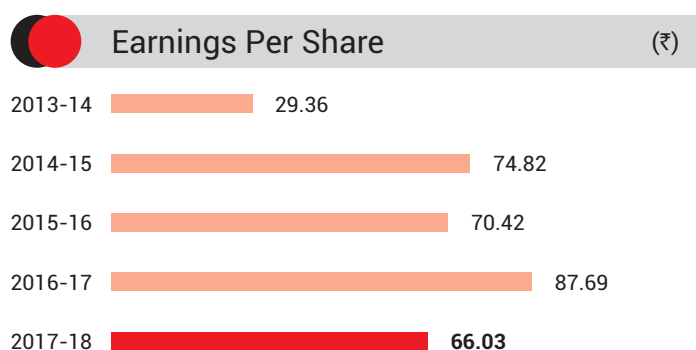
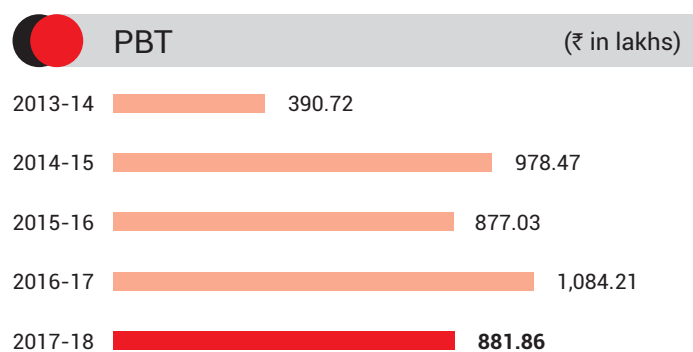
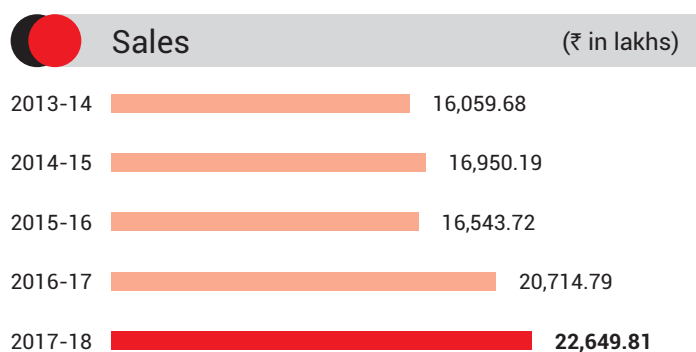


At Triton, our CSR initiatives focus on the integrated development of the communities in the vicinity of our plant in Mysuru. Towards this end, our flagship CSR initiative, Unnati, works through the medium of the local Anganwadis and government primary schools to drive change and create social impact. Several programs involving not just the children but their mothers have been conducted at two Anganwadis and one primary school.

The Company has also partnered with Swami Vivekananda Youth Movement (SVYM), a reputed and award-winning NGO for a project to develop the schools and Anganwadis into model ones over a period of three years. The key objective of this long-term project is to improve early childhood education with a focus on development of children through a dynamic and conducive learning environment. To achieve its objective, the project uses a four-point strategy as below:

- Promoting admission and regular attendance of all children
- Enhancing learning outcomes by training teachers in using child-centric techniques and promoting joyful learning
- Reducing malnutrition and incidence of waterborne diseases in children through awareness about nutrition and WASH (Water Sanitation and Hygiene)
- Strengthening community participation and involvement in school development activities to ensure sustainability

Financial Highlights



Corporate Information

Key Managerial Personnel

Aditya M Gokarn

Managing Director

Srikanth Shenoy

Chief Financial Officer

Apoorva G

Company Secretary

Registered Office

Sunrise Chambers
22, Ulsoor Road, Bengaluru - 560 042
P: +91 80 2558896/66
F: +91 80 25586483
W: www.tritonvalves.com
E: investors@tritonvalves.com
CIN: L25119KA1975PLC002867

Statutory Auditors

Deloitte Haskins & Sells LLP

Prestige Trade Tower, Level 19,
46, Palace Road, High Grounds,
Bengaluru - 560 001

Factory

Mercara Road, Belavadi,
Mysuru - 570 018

Internal Auditors

Grant Thornton India LLP

#65/2, Bagmane Tridib, Block A,
5th Floor, Bagmane Tech Park,
CV Raman Nagar,
Bengaluru - 560 093

Share Transfer Agent

Canbank Computer Services Ltd

218, JP Royale, 1st Floor, 2nd Main,
Sampige Road, Malleswaram,
Bengaluru - 560 003
P: +91 80 23469661/62
F: +91 80 23469667/68

Secretarial Auditor

Parameshawara G Bhat

Company Secretary
#496/4, II Floor, 10th Cross
Near Bashyam Circle, Sadashivanagar,
Bengaluru - 560 080

Bankers

HDFC Bank
DBS Bank
Kotak Mahindra Bank
Yes Bank
SVC Co-operative Bank
IndusInd Bank

Board's Report

Dear Shareholders,

Your Directors have pleasure in presenting the 42nd Annual Report along with the audited financial statements for the financial year ended March 31, 2018.

1. Performance Highlight

| | ₹ in lakhs | |
|--|------------------|------------------|
| | 2017-18 | 2016-17 |
| Income | | |
| Revenue from operations | 22,649.81 | 20,714.79 |
| Other income | 190.80 | 218.62 |
| Total income | 22,840.61 | 20,933.41 |
| Total expenses | 21,958.75 | 19,849.20 |
| Profit Before tax | 881.86 | 1,084.21 |
| Tax expense | 228.15 | 216.06 |
| Profit for the year | 653.72 | 868.15 |
| Total other comprehensive income | 10.72 | (25.20) |
| Total comprehensive income for the year | 664.43 | 842.95 |
| Earnings / (Loss) per share (Basic / Diluted) (₹) (Face Value of ₹10/- each) | 66.03 | 87.69 |

2. Business Operations

Your Company's net revenue from operations increased by 9.34% to ₹22,649.81 lakhs from ₹20,714.79 lakhs in the previous year. Profit before tax decreased to ₹881.86 lakhs from the previous year's level of ₹1,084.21 lakhs representing an decrease of 18.66%. The profit after tax was ₹664.43 lakhs, over the PAT of ₹842.95 lakhs 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, 2018.

4. Reserves

The Reserves of the Company increased by 7.49% to ₹6,968.89 lakhs as against ₹6,483.07 lakhs in the previous year. The Board of Directors does not propose to transfer any part of the Profits to reserves during the current year.

5. Prospects for the Financial Year 2018-19

Your Company's prospects are directly linked to those of the automobile and tyre industries. The automobile and tyre industry are expected to put up an improved

performance compared to the previous year. 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 read with 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 under 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.

Mr. Prashanth Nayak (DIN 03371824) was appointed by the Board as an Independent Director (Additional Director) of the Company with effect from May 4, 2018 and his appointment will be subject to approval of the Shareholders and the same has been included as one of the agenda in the Notice convening the Annual General Meeting.

Your Board recommends the above appointments.

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

11. Auditors

Messrs Deloitte Haskins & Sells LLP having ICAI Firm Reg. No. 117366W/W-100018 are the Statutory Auditors of the Company for the Financial year ended March 31, 2018 and their appointment will continue until the conclusion of the 46th Annual General Meeting to be held in the year 2022. Their appointment as the Statutory Auditors will be ratified at the ensuing Annual General Meeting pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder. 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. Parameshwar 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 2017-18 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. 8 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 four (4) times on May 9, 2017, August 31, 2017, October 25, 2017 and January 31, 2018. 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 the 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 (Not Mandatory)

Details of all the Committees along with their charters, composition and Meetings held during the year, are provided in the "Corporate Governance Report" which forms 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 on the Company's website at www.tritonvalves.com.

18. Remuneration Policy

The Policy has been laid down by the Nomination and Remuneration Committee for determining the 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 on the Company's website at 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. Thus a disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required.

The Company has formulated a policy on determining materiality of related party transactions and the same is available on the Company's website at www.tritonvalves.com.

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 III 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 on the Company's website at 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 available on the website of the Company at www.tritonvalves.com.

25. Extract of Annual Return

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

26. Material changes and commitments

There are no changes or commitments made, affecting the financial position of the between the end of the financial year as on March 31, 2018 and the date of this Report.

27. Employee Relations

During the year under review, your Company maintained 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 V 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 the Company'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 has already been implemented as per the directives of the 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 external member to oversee the effective implementation.

No complaints were received during the year ended March 31, 2018.

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 on Company's website at www.tritonvalves.com. The Annual report on the CSR activities is appended as Annexure VI 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, Yes Bank, SVC Co-operative Bank and IndusInd 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 4, 2018

Regd. Office:

Triton Valves Limited

Sunrise Chambers, 22, Ulsoor Road

Bengaluru – 560 042

CIN: L25119KA1975PLC002867

S.K.Welling

Chairman

DIN:00050943

ANNEXURE I**FORM NO. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31.03.2018**

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
Bangalore
(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 31.03.2018 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 31.03.2018 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) The Securities and Exchange Board of India (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 Meetings i.e. 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 draft 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: Bengaluru
Date: May 4, 2018

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: Bengaluru

Date: May 4, 2018

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
4. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a Special Resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

5. Term / Tenure

Managing Director / Whole-time Director

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

Independent Director

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

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

7. Evaluation

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

8. Removal

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions

of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

9. Retirement

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

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

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

the premium paid on such insurance shall be treated as part of the remuneration

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

The Whole-time Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to PF, 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 PF, 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**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 the 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.
- g. Usage of solar energy through solar power suppliers is being explored.

B. Technology Absorption

- a. Research and Development (R&D)
The specific are as 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.

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 which has helped to increase confidence of customers.

R&D facility created to manufacture prototypes and small batch development activities.

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 and sensors for export and domestic market.
- 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 focused initiatives for fire safety compliance requirements are planned

d. Expenditure on Research & Development

₹ in lakhs

| | 2017-18 | 2016-17 |
|---|---------------|---------------|
| a. Capital | 95.88 | 285.16 |
| b. Recurring | 239.20 | 208.35 |
| Total | 335.08 | 493.50 |
| Total R&D expenditure as a percentage of turnover | 1.47% | 2.64% |

A. Foreign Exchange Earnings and Outgo

₹ in lakhs

| | 2017-18 |
|---|----------------|
| Foreign exchange earned through exports | 3,359.35 |
| Foreign exchange used | 11,605.95 |

For and on behalf of the Board of Directors

Place: Bengaluru
Date: May 4, 2018

S.K.Welling
Chairman
DIN:00050943

Regd. Office:
Triton Valves Limited
Sunrise Chambers, 22, Ulsoor Road
Bengaluru – 560 042
CIN: L25119KA1975PLC002867

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ANNEXURE IV

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

AS ON FINANCIAL YEAR ENDED ON MARCH 31, 2018

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 - Company Secretary and 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: canbankrta@ccsl.co.in |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

V. 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 1-April-2017] | | | | No. of Shares held at the end of the year [As on 31-March-2018] | | | | % Change during the year |
|-------------------------------|---|----------|---------|-------------------|--|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 499,904 | - | 499,904 | 50.49 | 499,804 | - | 499,804 | 50.48 | 0.01 |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Sub Total (A) (1) | 499,904 | - | 499,904 | 50.49 | 499,804 | - | 499,804 | 50.48 | 0.01 |
| (2) Foreign | | | | | | | | | |
| a) NRI Individuals | - | - | - | - | - | - | - | - | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Any other | - | - | - | - | - | - | - | - | - |
| Sub Total (A) (2) | - | - | - | - | - | - | - | - | - |
| TOTAL (A) | 499,904 | - | 499,904 | 50.49 | 499,804 | - | 499,804 | 50.48 | 0.01 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 41,333 | - | 41,333 | 4.17 | 18,069 | - | 18,069 | 1.83 | 2.35 |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - | - |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 1-April-2017] | | | | No. of Shares held at the end of the year [As on 31-March-2018] | | | | % Change during the year |
|--|---|---------------|----------------|-------------------|--|---------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | 41,333 | - | 41,333 | 4.17 | 18,069 | - | 18,069 | 1.83 | 2.35 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 24,326 | 350 | 24,676 | 2.49 | 32,460 | 350 | 32,810 | 3.31 | (0.82) |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 309,992 | 42,194 | 352,186 | 35.57 | 332,911 | 30,841 | 363,752 | 36.74 | (1.17) |
| 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 | 12,901 | - | 12,901 | 1.30 | 12,869 | - | 12,869 | 1.30 | 0.00 |
| Non Resident Indians | 3,574 | - | 3,574 | 0.36 | 7,115 | - | 7,115 | 0.72 | (0.36) |
| Overseas Corporate Bodies | - | - | - | - | - | - | - | - | - |
| Foreign Nationals | - | - | - | - | - | - | - | - | - |
| Clearing Members | 1,453 | - | 1,453 | 0.15 | 1,155 | - | 1,155 | 0.12 | 0.03 |
| Trusts | - | - | - | - | - | - | - | - | - |
| Foreign Bodies - D R | - | - | - | - | - | - | - | - | - |
| IEPF Authority | - | - | - | - | 453 | - | 453 | 0.00 | (0.00) |
| Sub-total (B)(2):- | 406,246 | 42,544 | 448,790 | 45.33 | 440,963 | 31,191 | 472,154 | 47.69 | (2.36) |
| Total Public (B) | 447,579 | 42,544 | 490,123 | 49.51 | 459,032 | 31,191 | 490,223 | 49.52 | (0.01) |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 947,483 | 42,544 | 990,027 | 100.00 | 958,836 | 31,191 | 990,027 | 100.00 | - |

(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 | 280,041 | 28.29 | - | 280,041 | 28.29 | - | - |
| 2 | Nagarkatte Shridharmurthy Nirmala | 112,506 | 11.36 | - | 112,506 | 11.36 | - | - |
| 3 | Aditya Maruti Gokarn | 46,822 | 4.73 | - | 46,822 | 4.73 | - | - |
| 4 | Anil Maruti Gokarn | 47,210 | 4.77 | - | 47,210 | 4.77 | - | - |
| 5 | Pradeep P Koppikar | 13,325 | 1.35 | - | 13,225 | 1.34 | - | 0.01 |
| | Total | 499,904 | 50.49 | - | 499,804 | 50.48 | - | 0.01 |

(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 | Pradeep P Koppikar At the beginning of the year (as on 01.04.2017) 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 31.03.2018) | 13,325 Sale of 100 13,225 | 1.35 - 1.34 | 13,325 13,225 13,225 | 1.35 1.34 1.34 |

(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 | K Raghunath Shenoy At the beginning of the year (as on 01.04.2017) 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 31.03.2018) | 54,000 - 54,000 | 5.45 - 5.45 | 54,000 - 54,000 | 5.45 - 5.45 |

| 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 |
| 2 | SBI Equity Opportunities Fund Series IV* | | | | |
| | At the beginning of the year (as on 01.04.2017) | 10,188 | 1.03 | 10,188 | 1.03 |
| | 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 10188 | 1.03 | - | - |
| | At the end of the year (as on 31.03.2018) | - | - | - | - |
| 3 | SBI Equity Opportunities Fund Series II* | | | | |
| | At the beginning of the year (as on 01.04.2017) | 14,355 | 1.45 | 14,355 | 1.45 |
| | 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 14,355 | 1.45 | - | - |
| | At the end of the year (as on 31.03.2018) | - | - | - | - |
| 4 | SBI Long Term Advantage Fund Series I | | | | |
| | At the beginning of the year (as on 01.04.2017) | 10,000 | 1.01 | 10000 | 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 31.03.2018) | 10000 | 1.01 | 10000 | 1.01 |
| 5 | Katy Dolly Navasariwalla | | | | |
| | At the beginning of the year (as on 01.04.2017) | 7,500 | 0.76 | 7500 | 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 31.03.2018) | 7500 | 0.76 | 7500 | 0.76 |
| 6 | Pooja Ahlawat | | | | |
| | At the beginning of the year (as on 01.04.2017) | 7,199 | 0.73 | 7,199 | 0.73 |
| | 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 604 | 0.06 | 6,595 | 0.67 |
| | At the end of the year (as on 31.03.2018) | 6,595 | 0.67 | 6,595 | 0.67 |
| 7 | Deepak Dhall | | | | |
| | At the beginning of the year (as on 01.04.2017) | 6,333 | 0.64 | 6,333 | 0.64 |
| | 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 31.03.2018) | 6,333 | 0.64 | 6,333 | 0.64 |

| 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 |
| 8 | SBI Long Term Advantage Fund Series II | | | | |
| | At the beginning of the year (as on 01.04.2017) | 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 31.03.2018) | 6,000 | 0.61 | 6,000 | 0.61 |
| 9 | Minto Park Estates Private Limited | | | | |
| | At the beginning of the year (as on 01.04.2017) | 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 31.03.2018) | 5,460 | 0.55 | 5,460 | 0.55 |
| 10 | Nirmala Yeshwant Pai | | | | |
| | At the beginning of the year (as on 01.04.2017) | 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 31.03.2018) | 5,100 | 0.52 | 5,100 | 0.52 |
| 11 | Vibha Prashant Bamb[#] | | | | |
| | At the beginning of the year (as on 01.04.2017) | 5,063 | 0.51 | 5,063 | 0.51 |
| | 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 362 | 0.04 | 5,425 | 0.55 |
| | At the end of the year (as on 31.03.2018) | 5,425 | 0.55 | 5,425 | 0.55 |
| 12 | Bamb Prashant Ishwardas[#] | | | | |
| | At the beginning of the year (as on 01.04.2017) | 3,674 | 0.37 | 3,674 | 0.37 |
| | Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc): | Purchase of 813 | 0.08 | 4,487 | 0.45 |
| | At the end of the year (as on 31.03.2018) | 4,487 | 0.45 | 4,487 | 0.45 |

[#]Not in the list of Top 10 shareholders as on April 1, 2017 The same is reflected above since the shareholder was one of the Top 10 shareholder as on March 31, 2018.

* Ceased to be in the list of Top 10 shareholders as on March 31, 2018. The same is reflected above since the shareholder was one of the Top 10 shareholder as on April 1, 2017.

(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 | Aditya M. Gokarn (Managing Director) | | | | |
| | 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 | Anuradha M Gokarn (Non-executive Director) | | | | |
| | 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 | Dr. B. R. Pai (Director) | | | | |
| | At the beginning of the year | 1,430 | 0.14 | 1,430 | 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): | - | - | - | - |
| | At the end of the year | 1,430 | 0.14 | 1,430 | 0.14 |
| 4 | S. K. Welling (Director) | | | | |
| | 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 | Tamhant Jain (Director) | | | | |
| | 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 | Mr. Prashanth Nayak (Director) | | | | |
| | 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 | Srikanth Shenoy (Chief Financial Officer) | | | | |
| | 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 | - | - | - | - |
| 8 | Apoorva G (Company Secretary) | | | | |
| | 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 | - | - | - | - |

VI. 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 |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 1,369.53 | 415.00 | - | 1784.53 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 1,369.53 | 415.00 | - | 1784.53 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 500.00 | 25.00 | | 525.00 |
| * Reduction | (400.54) | | | (400.54) |
| Net Change | 99.46 | 25.00 | | 124.46 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 1,468.99 | 440.00 | | 1,908.99 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 1,468.99 | 440.00 | | 1,908.99 |

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager. (₹ in lakhs)

| 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 | 75.07 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 9.98 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - |
| 2 | Stock Option | - |
| 3 | Sweat Equity | - |
| 4 | Commission | - |
| | - as % of profit | |
| | - others, specify | |
| 5 | Others, please specify | - |
| | Total | 85.05 |
| | Ceiling as per the Act | 168.00* |

* 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 (₹ in lakhs)

| Sl. No. | Particulars of Remuneration | Fee for attending board committee meetings | Commission | Others, please specify | Total |
|---------|--------------------------------------|--|-------------|------------------------|---------------------------|
| 1 | Independent Directors | | | | |
| | S. K. Welling | 2.75 | 3.05 | - | 5.80 |
| | Dr. B. R. Pai | 2.75 | 3.05 | - | 5.80 |
| | Tamhant Jain | 1.00 | 3.05 | - | 4.05 |
| | Total (1) | 6.50 | 9.15 | - | 15.65 |
| 2 | Other Non-Executive Directors | | | | |
| | Anuradha M Gokarn | 2.25 | 3.05 | - | 5.30 |
| | Total (2) | 2.25 | 3.05 | - | 5.30 |
| | Total (B)=(1+2) | 8.75 | 12.2 | - | 20.95 |
| | Total Managerial Remuneration | | | | 106.00* |
| | Ceiling as per the Act | | | | 180.20[#] |

* Exclusive of sitting fees

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.

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

(₹ in lakhs)

| Sl No. | Particulars of Remuneration | Key Managerial Personnel | |
|--------|---|--------------------------|-------------|
| | | Srikanth Shenoy | Apoorva G |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 43.77 | 7.73 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0.39 | 0.02 |
| | (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 | | |
| | Total | 44.16 | 7.75 |

VIII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NIL

For and on behalf of the Board of Directors

Place: Bengaluru

Date: May 4, 2018

Regd. Office:

Triton Valves Limited

Sunrise Chambers, 22, Ulsoor Road

Bengaluru – 560 042

CIN: L25119KA1975PLC002867

S.K.Welling

Chairman

DIN:00050943

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Annexure V

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; | (₹ in lakhs) | | | | | |
|---|--|------------------------|------------------------|------------------------|------------|---------------|
| | Name of Director | Commission (II) | Sitting Fees (II)# | Salaries & Perquisites | Total (II) | Ratio (times) |
| | Mr. S K Welling | 3.05 | 2.75 | - | 5.80 | 1.12 |
| | Dr. B R Pai | 3.05 | 2.75 | - | 5.80 | 1.12 |
| | Mrs. Anuradha M Gokarn | 3.05 | 2.25 | - | 5.30 | 1.03 |
| | Mr. Tamhant Jain* | 3.05 | 1.00 | - | 4.05 | 0.79 |
| | Mr. Aditya M Gokarn | - | - | 85.05 | 85.05 | 16.54 |
| | Medium Employee Remuneration (Average CTC of staff + Workmen) | | | 5.14 | | |
| | * Mr. Tamhant Jain, has been appointed with effect from February 3, 2017. | | | | | |
| (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; | (₹ in lakhs) | | | | | |
| | Name of Director | Remuneration (2016-17) | Remuneration (2017-18) | Change % | | |
| | Mr. S K Welling | 6.75 | 5.8 | (14.01) | | |
| | Dr. B R Pai | 6.75 | 5.8 | (14.01) | | |
| | Mrs. Anuradha M Gokarn | 6.00 | 5.3 | (11.60) | | |
| | Mr. Aditya M Gokarn | 72.69 | 85.05 | 17.01 | | |
| | Mr. Tamhant Jain* | 0.71 | 4.05 | - | | |
| | Mr. Srikanth Shenoy** | 20.55 | 44.16 | - | | |
| | Ms. Apoorva G | 7.09 | 7.75 | 9.38 | | |
| * Mr. Tamhant Jain, was appointed w.e.f February 3, 2017. | | | | | | |
| ** Mr. Srikanth Shenoy was appointed as CFO w.e.f. October 21, 2016. | | | | | | |
| (iii) the percentage increase in the median remuneration of employees in the financial year; | 11.98% | | | | | |
| (iv) the number of permanent employees on the rolls of company as on March 31, 2018. | Staff including MD – 142 Permanent Workers – 162 | | | | | |
| (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; | Salary increase of Managerial personnel increased by 9% Salary increase of other than Managerial personnel increased by 11% | | | | | |

| | |
|--|---|
| (vi) Affirmation that the remuneration is as per the remuneration policy of the company. | Yes, remuneration is as per the remuneration policy of the company. |
|--|---|

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

For and on behalf of the Board of Directors

Place: Bengaluru

Date: May 4, 2018

Regd. Office:

Triton Valves Limited

Sunrise Chambers, 22, Ulsoor Road

Bengaluru – 560 042

CIN: L25119KA1975PLC002867

S.K.Welling

Chairman

DIN:00050943

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ANNEXURE VI

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. You Company is 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 on the Company's website at www.tritonvalves.com

2. **The composition of the CSR Committee:**

The members of the CSR Committee of the Board as on March 31, 2018 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:** ₹960.73 lakhs

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** ₹19.21 lakhs

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

- a) Total amount spent for the financial year: ₹19.21 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 (₹ in lakhs) | Amount spent on the project or programs Subheads: (i) Direct expenditure on projects or programs (2)Over-heads (₹ in lakhs) | Cumulative expenditure up to the reporting period | Amount spent direct or through implementing agency |
|--------|--|--|--|--|---|---|--|
| 1 | Promoting employment enhancing vocational skills | Promoting Education | Mysore | 4.89 | 4.89 | 4.89 | Through implementing agency - Yashaswi Academy |

| 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 (₹ in lakhs) | Amount spent on the project or programs Subheads: (i) Direct expenditure on projects or programs (2)Over-heads (₹ in lakhs) | Cumulative expenditure up to the reporting period | Amount spent direct or through implementing agency |
|--------|---|--|--|--|---|---|---|
| 2 | Providing Education to underprivileged students | Promoting Education | Mangalore | 2.50 | 2.50 | 2.50 | Through implementing agency - Saraswat Education Society |
| 3 | Assistance to rural and physically challenged students in India in education, vocational training and income generation | Promoting Education | Karnataka | 1.00 | 1.00 | 1.00 | Through implementing agency – Ashraya |
| 4 | Eye care services | Promoting health care | Bangalore Rural | 2.00 | 2.00 | 2.00 | Through implementing agency – Globe Eye Foundation |
| 5 | Education support to hearing impaired and mentally challenged underprivileged children | Promoting Education | Maharashtra | 1.00 | 1.00 | 1.00 | Through implementing agency - Punyatma Prabhakar Sharma Seva Mandal |
| 6 | Supporting the education of children belonging to Indigenous Tribal Groups | Promoting Education | Karnataka | 4.00 | 4.00 | 4.00 | Through implementing agency - Swami Vivekananda Youth Movement |
| 7 | Supporting the education of children of Primary Government schools and Anganawadis. | Promoting Education | Mysore District | 3.55 | 3.55 | 3.55 | Through implementing agency - Swami Vivekananda Youth Movement |

| 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 (₹ in lakhs) | Amount spent on the project or programs Subheads: (i) Direct expenditure on projects or programs (2)Over-heads (₹ in lakhs) | Cumulative expenditure up to the reporting period | Amount spent direct or through implementing agency |
|--------|--|--|--|--|---|---|---|
| 8 | Health care services | Promoting Health Care | Mysore | 0.25 | 0.25 | 0.25 | Through implementing agency - west lion sevaniketan |
| 9 | Activities for the Growth and development of children of Primary Government schools and Anganawadis. | Promoting Education | Mysore District | 0.02 | 0.02 | 0.02 | Direct |
| | Total | | | 19.21 | 19.21 | 19.21 | |

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
DIN:00185458
Date: May 4, 2018
Place: Bengaluru

S K Welling
(Chairman- CSR Committee)
DIN: 00050943

Regd. Office:
Triton Valves Limited
Sunrise Chambers, 22, Ulsoor Road
Bengaluru – 560 042
CIN: L25119KA1975PLC002867

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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 325 crores in the organized sector in the period 2017-18. Exports do not constitute a significant proportion of this turnover. Two manufacturers contribute over 80% of the total production and sales.

Macroeconomic developments this year have been marked by swings. In the first half, India's economy temporarily decelerated as the rest of the world accelerated – even as it remained the second-best performer amongst major countries, with strong macroeconomic fundamentals. The reasons were demonetization, teething difficulties in the new Goods and Services Tax, high and rising real interest rates, Indian Bankruptcy Code, an intensifying overhang from the Twin Balance sheet challenge, and sharp falls in certain food prices that impacted agricultural incomes. In the second half of the year, the economy witnessed robust signs of revival. Economic growth improved as the shocks began to fade, corrective actions were taken, and the synchronous global economic recovery boosted exports. India's GDP growth is estimated at 6.7%, This is in line with the 6.75 per cent growth forecast by the Economic Survey and down from 7.1 percent in FY17 with the slowdown being attributed to the lingering effect of demonetisation and the rollout of the goods and services tax (GST) in July last year.

The Indian automotive industry produced a total of 26.4 million vehicles including passenger vehicles, commercial vehicles, and two and three-wheelers in 2018 (April-February) as against 23 million in the same period of 2017, registering a growth of 14.41 percent. The sale of passenger vehicles grew by 8.04 per cent in April-February 2018 over the same period last year. Two-wheeler sales registered a growth of 14.47 percent while the commercial vehicle segment grew by 19.30 percent year on year. Automobile exports from India increased by 15.81 percent over the previous year. Hence, in conclusion, the Financial Year 2017-18 was a good year for the industry overall with a few small exceptions.

The Indian tyre industry grew by an estimated 8-10 percent in FY2018, supported by robust growth pick-up across all industry sub-segments. The growth was supported by improving demand, rising exports and lower imports, along with automobile production expected to rise strongly by more than 14 percent, up from 5.2 percent in FY2017 and 3.2 percent in FY2016. The year saw a strong traction in OEM volumes during April 2017-January 2018 coupled with the traction in replacement markets after the

GST upheaval. The volume growth estimates for tyres has been scaled up from an earlier 7-8 percent to 8-10 percent. Exports (in volumes) grew by 12 percent during 8-month period in FY2018, riding on the healthy demand across product segments, mainly the premium tyres. As for imports, the same have declined by 31 percent (volume-wise) in FY2018 post-demonetisation and re-imposition of Anti-dumping duty (ADD) on import of new Chinese Truck and Bus Radial (TBR) tyres, for a period of five years effective from September 18, 2017. In a further boost to the domestic TBR players, the customs duty on TBR imports has been increased from 10 percent (effective duty on imports from several countries under various free trade agreements results in a lower rate of around 0-9 percent) to 15 percent in the Union Budget of 2018-19. The 500 basis points increase in import duty will further curtail the import of Chinese TBR tyres benefiting the domestic Truck & Bus tyre manufacturers.

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 growth 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 | |
|----------------|------------|-----------|
| | 2017-18 | 2016-17 |
| Overall Sales | 22,649.81 | 20,714.78 |
| Domestic Sales | 19,290.45 | 17,755.88 |
| Export Sales | 3,359.36 | 2,958.9 |

Outlook

The overall outlook for the Financial Year 2018-19 is positive. The Company has taken several initiatives to widen its product offerings and expand its presence in both the domestic and export markets. 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 primarily relate to the manufacture and sale of automotive tyre valves, cores and accessories, which contribute a significant proportion of the sales of the Company. From the risk perspective, this can be viewed as one of the strategic risk factors, namely a high level of dependency on a single line of products or a concentrated group of customers. Operationally, the Company has only one manufacturing location at Mysore and this can also be viewed as a significant operational risk. 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 financial year 2017-18 are as

under:

| | ₹ in lakhs |
|-------------------|------------|
| | 2017-18 |
| Net Sales | 22,649.81 |
| Other Income | 190.80 |
| Profit before Tax | 881.86 |

The financial performance of the Company has been explained in the Board's Report of the Company for the financial year 2017-2018 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.

For and on behalf of the Board of Directors

Place: Bengaluru
Date: May 4, 2018

S.K.Welling
Chairman
DIN:00050943

Regd. Office:
Triton Valves Limited
Sunrise Chambers, 22, Ulsoor Road
Bengaluru – 560 042
CIN: L25119KA1975PLC002867

Corporate Governance Report

A report for the financial year ended March 31, 2018 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 always 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 6 Directors out of whom one is Executive, one is Non-Executive (woman) Non-Independent and four 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 four times on May 9, 2017, August 31, 2017, October 25, 2017 and January 31, 2018. 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, 2018 are furnished below. None of the Directors on the Board holds directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director.

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

| 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. Tamhant Jain | None | Non-executive Independent Director | 4 | 4** | Yes | Nil | 0 | 0 |
| Mr. Prashanth Nayak* | None | Non-executive Independent Director | NA | NA | NA | 1 | 0 | 0 |

* Mr. Prashanth Nayak, was appointed with effect from May 4, 2018.

**Includes Meeting attended through audio conference (not counted for quorum)

#Including memberships/chairmanships of Audit Committee and Stakeholders Relationship Committee in public companies (listed and unlisted) including Triton Valves Limited.

Brief profile of each of the above Directors are available on the Companys' website www.tritonvalves.com.

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company at www.tritonvalves.com.

vii. During the year, the Independent Directors met once on July 12, 2017, 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: www.tritonvalves.com.

Committees of the Board

For the year ended March 31, 2018, 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, 2018, 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 8, 2017, August 30, 2017, October 25, 2017 and January 31, 2018. The Managing Director, Internal Auditors and Statutory Auditors were invitees to the Meetings. The Company Secretary acts as Secretary to the Audit Committee.

The details of the Meetings are as follows:

| Name of Directors | 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 | 4 |

Nomination and Remuneration Committee

- i. The Nomination and Remuneration Committee consists of three members- two of whom are Independent Directors and one Non-executive Director. The Chairman of the Committee is an Independent Director.

As on March 31, 2018, 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 once on May 8, 2017. The Company Secretary acts as Secretary to the Committee.

The details of the meetings are as follows:

| Name of Directors | No. of Meetings held | No. of Meetings attended |
|-------------------------|----------------------|--------------------------|
| Dr. B. R. Pai | 1 | 1 |
| Mr. S. K. Welling | 1 | 1 |
| Mrs. Anuradha M. Gokarn | 1 | 1 |

Remuneration Policy

The Nomination and Remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. Presently, the Company does not have a stock options scheme for its Directors. The Nomination and Remuneration Policy is displayed on the Company's website at www.tritonvalves.com.

Details of Remuneration paid to Executive Directors / Non-Executive Directors during the financial year 2017-18.

During the year 2017-18 the Company paid sitting fees to its Non-Executive Directors for attending Meetings of the Board and Committee meetings. The Members have at the AGM of the Company held on August 5, 2016 approved the payment of commission to the Non-Executive Directors effective April 1, 2016 for a period of five years, 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 2017-18

(₹ in lakhs)

| Name of Directors | Sitting Fees | Salaries & Perquisites | Commission |
|----------------------------------|--------------|------------------------|------------|
| Mr. S. K. Welling | 2.75 | - | 3.05 |
| Dr. B. R. Pai | 2.75 | - | 3.05 |
| Mrs. Anuradha M. Gokarn | 2.25 | - | 3.05 |
| Mr. Tamhant Jain | 1.00 | - | 3.05 |
| Mr. Prashanth Nayak [#] | - | - | - |
| Mr. Aditya M. Gokarn | - | 85.06* | - |

[#]Mr. Prashanth Nayak, was appointed with effect from May 4, 2018.

*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, 2018 are given below:

| Name of Directors | 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.

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, 2018, 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, 2018, one Meeting of the Stakeholders' Relationship Committee was held on January 31, 2018. 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 2017-18 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 and Compliance Officer |
| Pending at the beginning of the year | Nil |
| Received during the year | 34 |
| Resolved during the year | 34 |
| 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 the Companies (Corporate Social Responsibility Policy) Rules, 2014, Corporate Social Responsibility (CSR) Committee was constituted.

As on March 31, 2018, 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 once on August 31, 2017. The Company Secretary acts as Secretary to the Committee.

The details of the Meetings are as follows:

| Name of Directors | No. of Meetings held | No. of Meetings attended |
|-------------------------|----------------------|--------------------------|
| Mr. S.K.Welling | 1 | 1 |
| Dr. B. R. Pai | 1 | 1 |
| Mrs. Anuradha M. Gokarn | 1 | - |

The CSR Policy of the Company is available on the Company's at website 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, 2018, no Meeting was held.

Risk Management policy of the Company is available on the Company's website at 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 |
|---------|---------|--|--------------------------|---|
| 2014-15 | AGM | The Gateway Hotel, Residency Road, Bangalore-560 025 | August 19, 2015, 4.00 pm | Approval of payment of revised remuneration to Mr. Aditya M Gokarn, Managing Director of the Company. |
| 2015-16 | AGM | The Gateway Hotel, Residency Road, Bangalore-560 025 | 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 |
| 2016-17 | AGM | The Gateway Hotel, Residency Road, Bangalore-560 025 | July 12, 2017, 4.00 pm | 1. Re-appointment of Dr. B R Pai (DIN 00184753) as an Independent Director 2. Re-appointment of Mr. Aditya M Gokarn (DIN: 00185458) as Managing Director 3. Increase in Borrowings Powers of the Company |

No Postal Ballot was conducted during the financial year 2017-18.

Disclosures

1. **Related party Transactions:** Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". 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 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.

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 at 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 at www.tritonvalves.com.

All Board Members and senior management personnel have confirmed compliance with the Code of Conduct for the financial year 2017-18. 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 at 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 at 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 no disclosure relating to commodity price risks and commodity hedging activities is made.

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 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 and sent to the Stock Exchange.

Website: The Company's website - 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:

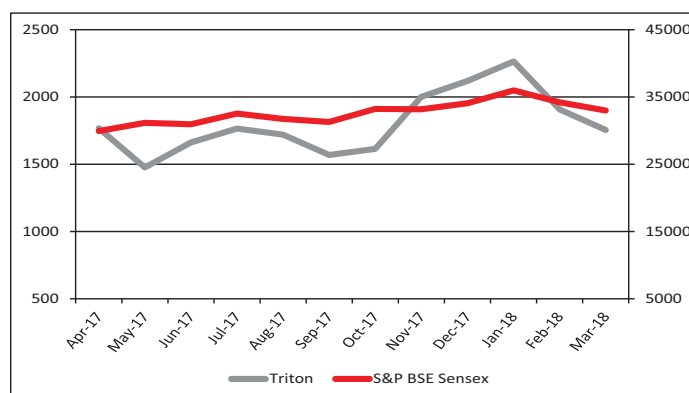
Secretarial Audits were carried out periodically by a qualified Practising Company Secretary for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms 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 Exchange and is also placed before the Board of Directors.

General Shareholders' Information:

| | | |
|---|-----------------------------|---|
| 1 | Date, Time & Venue of AGM | The 42 nd Annual General Meeting (AGM) of the Members of Triton Valves Limited will be held on Thursday July 26, 2018, at The Gateway Hotel, Residency Road, Bangalore-560 025 at 4.00 P.M. |
| 2 | Financial Year | 1 st April to 31 st 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 2018-19. |
| 5 | Stock Code | 505978 |
| 6 | Dates of Book closure | July 19, 2018 to July 26, 2018 (both days inclusive) |
| 7 | Registrar & Transfer Agents | Canbank Computer Services Limited, 218, J. P. Royale, 1 st Floor, 2 nd 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 | Low | Total Number of Equity Shares traded |
| April-17 | 1,820.00 | 1,280.00 | 79837 |
| May-17 | 1,809.00 | 1,452.60 | 36202 |
| June-17 | 1,834.00 | 1,470.00 | 32940 |
| July-17 | 1,950.00 | 1,600.10 | 43297 |
| August-17 | 1,799.90 | 1,489.00 | 16315 |
| September-17 | 1,790.00 | 1,526.00 | 28911 |
| October-17 | 1,645.00 | 1,515.00 | 18728 |
| November-17 | 2,049.00 | 1,571.00 | 45230 |
| December-17 | 2,188.00 | 1,761.00 | 25821 |
| January-18 | 2,794.90 | 2,051.00 | 48149 |
| February-18 | 2,222.00 | 1,750.00 | 32237 |
| March-18 | 1,957.00 | 1,728.00 | 10889 |

Performance of the Share price of the Company in comparison to the BSE Sensex**Distribution of Shareholding as on March 31, 2018**

| No. of Equity Shares held | No. of Shares held | % To total number of shares | No. of Shareholders | % To total number of Shareholders |
|---------------------------|--------------------|-----------------------------|---------------------|-----------------------------------|
| 1-500 | 253,131 | 25.57 | 6,342 | 97.98 |
| 501-1000 | 40,220 | 4.06 | 61 | 0.94 |
| 1001-5000 | 98,618 | 9.96 | 54 | 0.83 |
| 5001-10000 | 43,284 | 4.37 | 7 | 0.11 |
| 10001 & above | 554,774 | 56.04 | 9 | 0.14 |
| Total | 990,027 | 100 | 6,473 | 100 |

Shareholding Pattern as on March 31, 2018

| Category | No. of Share holders | No. of Shares held | % of Shareholding |
|---------------------------------|----------------------|--------------------|-------------------|
| Promoter and Promoter group | 5 | 499,804 | 50.48 |
| Mutual Funds | 1 | 18,069 | 1.83 |
| Financial Institutions / Banks | - | - | 0.00 |
| Foreign Institutional Investors | - | - | 0.00 |
| Bodies Corporate | 134 | 32,810 | 3.31 |
| Individuals | 6,002 | 417,752 | 42.20 |
| HUF | 242 | 12,869 | 1.30 |
| Clearing Members | 17 | 1,155 | 0.12 |
| Non-Resident Indians | 64 | 7,115 | 0.72 |
| IEPF Authority | 1 | 453 | 0.05 |
| Total | 6,466 | 990,027 | 100.00 |

As on March 31, 2018, 958,836 Shares (96.85%) of the Company's Equity Capital was held in dematerialised form with NSDL and CDSL and 31,191 shares (3.15%) 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 the website of the Company at 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, 2018 and due dates for transfer are as follows

| Sl. No | FY. of Declaration of Dividend | Date of Declaration of Dividend | Unclaimed Amount (₹) | Due Date for transfer to IEPF Account |
|--------|--------------------------------|---------------------------------|----------------------|---------------------------------------|
| 1. | 2010-11 | July 15, 2011 | 188,440 | August 21, 2018 |
| 2. | 2011-12 | July 25, 2012 | 101,233 | August 31, 2019 |
| 3. | 2012-13 | July 12, 2013 | 125,677 | August 18, 2020 |
| 4. | 2013-14 | August 14, 2014 | 117,720 | September 20, 2021 |
| 5. | 2014-15 | August 19, 2015 | 145,876 | September 25, 2022 |
| 6. | 2015-16 | August 5, 2016 | 166,948 | September 12, 2023 |
| 7. | 2016-17 | July 12, 2017 | 204,585 | August 18, 2024 |

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; E: investors@tritonvalves.com

CIN: L25119KA1975PLC002867

Factory

Mercara Road Belavadi

Mysore – 570 018

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 2017-18.

For and on behalf of the Board of Directors

Place: Bengaluru

Date: May 4, 2018

S.K.Welling
Chairman
DIN:00050943

Regd. Office:
Triton Valves Limited
Sunrise Chambers, 22, Ulsoor Road
Bengaluru – 560 042
CIN: L25119KA1975PLC002867

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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, 2018 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 4, 2018

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CERTIFICATE**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE THE SEBI (LODR) REGULATIONS, 2015.**

To
The Members of
Triton Valves Limited
Bangalore

I have examined all the relevant records of Triton Valves Limited ('the Company') for the purpose of certifying the compliances of the conditions of Corporate Governance by the Company, for the year ended 31st March, 2018 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') for the period 1st April, 2017 to 31st March, 2018.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under the Listing Regulations.

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

Vijayakrishna K T
Practising Company Secretary
FCS-1788
CP-980

Place: Bengaluru
Date: May 4, 2018

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Independent Auditor's Report

To
The Members of Triton Valves Limited

1.0 Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Triton Valves Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2.0 Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3.0 Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS 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 the 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 Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

4.0 Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

5.0 Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these Ind AS financial statements, are based on the statutory financial statements prepared in accordance

with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 09, 2017 and May 20, 2016 respectively expressed an unmodified opinion on those financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the Ind AS financial statements is not modified in respect of this matter.

6.0 Report on Other Legal and Regulatory Requirements

6.1. As required by Section 143(3) of the Act, based on our audit, 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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, as amended, 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 Ind AS 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.

1.2 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration
No. 117366W/W-100018

S. Ganesh
Partner
Membership No. 204108

Place: Bengaluru
Date: May 04, 2018

Annexure "A" to the Independent Auditor's Report

1.0 Report on the Internal Financial Controls Over Financial Reporting 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, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

2.0 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. 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.

3.0 Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

4.0 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

5.0 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.

6.0 Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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, 2018, 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.

Our opinion is not modified in respect of this matter.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration
No. 117366W/W-100018

S. Ganesh
Partner
Membership No. 204108

Place: Bengaluru
Date: May 04, 2018

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Annexure B to the Independent Auditor's Report

(Referred to in paragraph 6.2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lender.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of providing guarantees. The Company has not granted any loans or made investments.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods & Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods & Service Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2018 on account of disputes except the following:

| Name of Statute | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount Involved (Rs.) | Amount Unpaid (Rs.) |
|----------------------|----------------|--------------------------------|------------------------------------|-----------------------|---------------------|
| Income Tax Act, 1961 | Income Tax | High Court of Karnataka | AY 2010-11 | 23,27,115 | 23,27,115 |

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In respect of term loans, the term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration
No. 117366W/W-100018

S. Ganesh
Partner
Membership No. 204108

Place: Bengaluru
Date: May 04, 2018

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Balance Sheet

as at March 31, 2018

₹ in Lacs

| Particulars | Note No. | As at | As at | As at |
|---|----------|------------------|------------------|------------------|
| | | March 31, 2018 | March 31, 2017 | March 31, 2016 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 3a | 5,870.72 | 6,389.11 | 5,969.47 |
| Capital work-in-progress | 4 | 887.19 | 322.70 | 320.84 |
| Investment property | 6 | 35.10 | 35.94 | 36.78 |
| Intangible assets | 3b | 73.21 | 60.07 | 14.20 |
| Financial assets | | | | |
| (i) Investments | 5 | 50.49 | 43.45 | 28.97 |
| (ii) Loans | 7a | 75.55 | 63.62 | 58.14 |
| Other non-current assets | 8a | 217.02 | 145.15 | 151.79 |
| Total non-current assets | | 7,209.28 | 7,060.04 | 6,580.19 |
| Current assets | | | | |
| Inventories | 9 | 3,336.54 | 2,786.51 | 2,361.06 |
| Financial assets | | | | |
| (i) Loans | 7b | 23.09 | 51.21 | 109.99 |
| (ii) Trade receivable | 10 | 3,996.98 | 3,052.88 | 3,523.22 |
| (iii) Cash and cash equivalents | 11a | 51.17 | 57.41 | 2.57 |
| (iv) Bank balances other than (iii) above | 11b | 10.61 | 9.14 | 9.21 |
| Current tax assets (net) | 12 | 240.69 | 155.60 | 72.14 |
| Other current assets | 8b | 367.01 | 413.28 | 310.00 |
| Total current assets | | 8,026.09 | 6,526.03 | 6,388.19 |
| Total | | 15,235.37 | 13,586.07 | 12,968.38 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity share capital | 13 | 99.00 | 99.00 | 99.00 |
| Other equity | 14 | 6,968.89 | 6,483.07 | 5,783.13 |
| Total equity | | 7,067.89 | 6,582.07 | 5,882.13 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| (i) Borrowings | 15 | 1,457.30 | 1,409.00 | 1,278.01 |
| Provisions | 16a | 105.20 | 107.51 | 131.16 |
| Deferred tax liabilities (net) | 17 | 125.58 | 263.23 | 278.75 |
| Total non-current liabilities | | 1,688.08 | 1,779.74 | 1,687.92 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| (i) Borrowings | 18 | 3,584.07 | 3,672.08 | 4,135.04 |
| (ii) Trade payables | 19 | 2,306.40 | 962.42 | 881.27 |
| (iii) Other financial liabilities | 20 | 466.94 | 389.52 | 228.80 |
| Provisions | 16b | 76.62 | 66.42 | 62.08 |
| Other current liabilities | 21 | 45.37 | 133.82 | 91.14 |
| Total current liabilities | | 6,479.40 | 5,224.26 | 5,398.33 |
| Total liabilities | | 8,167.48 | 7,004.00 | 7,086.25 |
| Total | | 15,235.37 | 13,586.07 | 12,968.38 |

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

S. Ganesh
Partner

Place : Bengaluru
Date : May 4, 2018

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
Membership No.32683

Statement of Profit and Loss

for the year ended on March 31, 2018

| Particulars | Note No. | ₹ in Lacs | |
|---|-----------|-------------------------|-------------------------|
| | | As at March 31, 2018 | As at March 31, 2017 |
| Revenue from operations | 22 | 22,649.81 | 20,714.79 |
| Other income | 23 | 190.80 | 218.62 |
| Total revenue | | 22,840.61 | 20,933.41 |
| Expenses | | | |
| Cost of materials consumed | 24 | 14,291.02 | 11,027.71 |
| Change in inventories of finished goods and work in progress | 25 | (577.76) | (155.72) |
| Excise duty on sale of goods | 26 | 570.84 | 2,027.04 |
| Employee benefits expense | 27 | 2,942.96 | 2,588.90 |
| Finance costs | 29 | 496.27 | 494.88 |
| Depreciation and amortization expense | 28 | 1,047.86 | 991.14 |
| Other expenses | 30 | 3,187.56 | 2,875.25 |
| Total expenses | | 21,958.75 | 19,849.20 |
| Profit before tax | | 881.86 | 1,084.21 |
| Tax expense | 31 | | |
| Current tax | | 369.91 | 219.50 |
| Deferred tax | | (141.76) | (3.44) |
| | | 228.15 | 216.06 |
| Profit for the year | | 653.72 | 868.15 |
| Other comprehensive income | | | |
| i) Items that will not be reclassified to profit or loss: | | | |
| Remeasurement of defined employee benefit plans | | 15.12 | (38.20) |
| ii) Income tax on items that will not be reclassified to the profit or loss | | (4.40) | 13.00 |
| Total other comprehensive income | | 10.72 | (25.20) |
| Total comprehensive income for the year | | 664.43 | 842.95 |
| Earnings per equity share | 32 | | |
| i) Basic | | 66.03 | 87.69 |
| ii) Diluted | | 66.03 | 87.69 |

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

S. Ganesh
Partner

Place : Bengaluru
Date : May 4, 2018

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

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Managing Director
DIN: 00185458

Apoorva. G
Company Secretary
Membership No.32683

Cash flow statement

for the year ended on March 31, 2018

₹ in Lacs

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Cash flow from operating activities | | |
| Profit before tax | 881.86 | 1,084.21 |
| Depreciation / amortization on continuing operations | 1,047.86 | 991.14 |
| Interest income | (3.97) | (9.09) |
| Dividend income | (0.19) | (0.25) |
| OCI | 15.12 | (38.20) |
| Loss / (profit) on sale of fixed assets | (0.43) | (1.10) |
| Sundry debtors (written off) / write back | 107.82 | (125.20) |
| Sundry creditors (written back) / written off | (0.21) | - |
| Provision for bad and doubtful debts | 135.00 | 45.00 |
| Fixed assets written off | 17.81 | - |
| Investments | (7.13) | (14.48) |
| Finance costs | 496.27 | 494.88 |
| Operating profit before working capital changes | 2,689.81 | 2,426.91 |
| Movements in working capital : | | |
| Increase / (decrease) in trade payables | 1,343.98 | 81.15 |
| Increase / (decrease) in other current liabilities | (87.19) | 45.57 |
| Decrease / (increase) in trade receivables | (1,186.92) | 550.54 |
| Decrease / (increase) in inventories | (550.03) | (425.45) |
| Decrease / (increase) long term loans and advances | (11.93) | (5.48) |
| Decrease / (increase) short term loans and advances | 74.39 | (44.50) |
| Increase / (decrease) in long-term provisions | (2.31) | (23.65) |
| Increase / (decrease) in short-term provisions | 10.20 | 4.34 |
| Cash generated from / (used in) operations | 2,280.00 | 2,609.43 |
| Direct taxes paid (net of refunds) | (455.00) | (302.96) |
| Net cash flow from / (used in) operating activities (A) | 1,825.00 | 2,306.47 |
| Cash flows from investing activities | | |
| Purchase of fixed assets, including CWIP and capital advances | (1,196.98) | (1,451.03) |
| Proceeds from sale of fixed assets | 1.89 | 1.10 |
| Interest received | 3.97 | 9.09 |
| Dividends received | 0.19 | 0.25 |
| Net cash flow from / (used in) investing activities (B) | (1,190.93) | (1,440.59) |
| Cash flows from financing activities | | |
| Proceeds from long-term borrowings | 500.00 | 500.00 |
| Repayment of long-term borrowings | (400.82) | (225.26) |
| Proceeds from short-term borrowings | (88.02) | (462.97) |
| Proceeds from long term borrowings / (loan from related party) | 25.00 | 15.00 |
| Interest paid | (496.27) | (494.88) |
| Dividends paid on equity shares | (148.50) | (118.80) |
| Tax on equity dividend paid | (30.23) | (24.19) |
| Tax on preference dividend paid | | |
| Net cash flow from / (used in) in financing activities (C) | (638.84) | (811.10) |
| Net increase / (decrease) in cash and cash equivalents (A + B + C) | (4.77) | 54.78 |
| Cash and cash equivalents at the beginning of the year | 66.55 | 11.78 |
| Cash and cash equivalents at the end of the year | 61.78 | 66.55 |
| Components of cash and cash equivalents | | |
| Cash on hand | 3.33 | 1.71 |
| With banks - on current account | 47.84 | 55.70 |
| - unpaid dividend accounts | 10.61 | 9.14 |
| Total cash and cash equivalents | 61.78 | 66.55 |

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

S. Ganesh
Partner

Place : Bengaluru
Date : May 4, 2018

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
Membership No.32683

Statement of changes

in equity during the year ended March 31, 2018

a) Equity share capital

₹ in Lacs

| Particulars | Amount |
|------------------------------|--------|
| Balance as at April 1, 2016 | 99.00 |
| Changes during the year | - |
| Balance as at March 31, 2017 | 99.00 |
| Changes during the year | - |
| Balance as at March 31, 2018 | 99.00 |

b) Other equity

₹ in Lacs

| Particulars | Reserves and surplus | | | Items of other comprehensive income | Total |
|--|----------------------|-----------------|-------------------|--|----------|
| | Securities premium | General reserve | Retained earnings | Remeasurement of defined benefits plan | |
| As at April 1, 2016 | 149.40 | 4,559.34 | 1,074.39 | - | 5,783.13 |
| Transfer to General reserve | - | 300.00 | (300.00) | - | - |
| Profit for the year | - | - | 868.13 | - | 868.13 |
| Other comprehensive income net of tax | - | - | - | (25.20) | (25.20) |
| Dividend proposed in the previous year, paid | - | - | (118.80) | - | (118.80) |
| Tax impact on dividend | - | - | (24.19) | - | (24.19) |
| As at March 31, 2017 | 149.40 | 4,859.34 | 1,499.53 | (25.20) | 6,483.07 |
| Profit for the year | - | - | 653.72 | - | 653.72 |
| Other comprehensive income net of tax | - | - | - | 10.72 | 10.72 |
| Dividend proposed and paid | - | - | (148.50) | - | (148.50) |
| Tax impact on proposed dividend | - | - | (30.11) | - | (30.11) |
| As at March 31, 2018 | 149.40 | 4,859.34 | 1,974.64 | (14.48) | 6,968.89 |

The above statement of changes in equity should be read in conjunction with the accompanying notes.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

S. Ganesh
Partner

Place : Bengaluru
Date : May 4, 2018

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
Membership No.32683

Notes

forming part of the financial statements

1. Corporate information

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 automobile tubes and supplies to tyre, tube and original equipment 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 since the year 1992.

2. Significant accounting policies

2.1 Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017.

For periods up to and including the year ended March 31, 2017, the Company has prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies, Act, 2013 read together with paragraph 7 of Companies Rules, 2014 ("Indian GAAP"). The date of transition to Ind AS is April 1, 2016.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are measured at fair values and defined benefit plan – plan assets measured at fair value at the end of each reporting period, as explained in the accounting policies below:-

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would consider those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/

or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Use of estimates and judgement

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of percentage of completion of contracts and recognition of probable loss, useful lives of property, plant and equipment, provision for income tax and valuation of deferred tax assets, provision for warranty and other provisions and contingent liabilities.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant

Notes

forming part of the financial statements

and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of 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 (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

2.4 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, and when the amount of revenue can be measured reliably. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, and value added items.

Other income

Interest income is recognized as it accrues in the statement of profit and loss, using effective interest method. Dividend income is accounted for when the right to receive the payment is established. Export benefits are accounted for, in the year of exports, based on eligibility and when there is no uncertainty in receiving the same.

2.5 Foreign currencies

The functional currency of the Company is Indian Rupees.

Income and expenses in foreign currencies are recorded at exchanges rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

2.6 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognized as operating lease. Operating lease payments are recognized on a straight line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation in the statement of profit and loss.

2.7 Employee benefits

Employee benefits include contribution to provident fund, superannuation fund, gratuity fund, compensated absences and employee state insurance scheme.

Retirement benefit cost and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognized in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the

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forming part of the financial statements

balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Defined contribution plan

Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised

for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax ("MAT") paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

2.9 Property, plant and equipment

Property, plant and equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any.

The cost includes purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets

Notes

forming part of the financial statements

after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation is provided for property, plant and equipment on the straight-line method over the estimated useful life from the date the assets are ready for intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

| Type of asset | Method | Useful lives |
|---|---------------|---------------|
| Factory and office buildings (Including temporary structures) | Straight line | 2 to 40 years |
| Plant and equipment | Straight line | 3 to 14 years |
| Computer equipment | Straight line | 2 to 5 years |
| Office equipment | Straight line | 2 to 15 years |
| Vehicles | Straight line | 3 to 8 years |
| Furniture and fixtures | Straight line | 2 to 10 years |

Assets costing less than ₹ 5,000 each are fully depreciated in the year of capitalization

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress

Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

The capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Investment property

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost mode.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of assets) is included in the statement of profit and loss in the period in which property is derecognized

For transition to Ind AS the company has elected to continue with the carrying value of investment property recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.11 Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets are amortized on a straight line basis over their estimated useful lives from the date that they are available for use.

The estimated useful lives of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

2.12 Impairment

Financial assets (other than a fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets

Notes

forming part of the financial statements

and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Non-financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

2.13 Inventory

Inventories are valued at the lower of cost and the net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Cost of inventories are determined on a weighted average basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the

present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.15 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A) Financial assets

Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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forming part of the financial statements

Financial assets at fair value through profit and loss (FVTPL) Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognized in statement of profit and loss.

Foreign exchange gains and losses

The fair value of foreign assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For the foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in statement of profit and loss.

B) Financial liabilities and equity

Financial liabilities at amortized cost

Financial liabilities are measured at amortized cost using effective interest method.

Equity instruments

An equity instrument is contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in other income.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in the profit and loss.

2.16 Earnings per share (EPS)

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of

extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.17 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management reporting structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

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.

2.18 New standards and interpretations not yet adopted

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry

Notes

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of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the effect of this on the financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, the Ministry of Corporate Affairs notified Ind AS 115 Revenue from Contracts with Customers. The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue. The new standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects

to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers.

The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs. The standard is effective for annual periods beginning on or after April 1, 2018. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

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Notes

forming part of the financial statements

₹ in Lacs

| 3 a) Tangible assets | | | | | | | | | | |
|--|-------------|------------------|----------------------------|---------------------------|-------------------------|-----------------|---------------------------------|--------------|-----------------|--------------|
| Deemed cost | Land | Buildings | Plant and machinery | Computer equipment | Office equipment | Vehicles | Furniture & fixtures | Total | Software | Total |
| At April 1, 2016 | 150.37 | 2,528.58 | 3,182.61 | 11.76 | 7.24 | 26.11 | 62.80 | 5,969.47 | 14.20 | 14.20 |
| Additions | - | 240.83 | 1,107.77 | 11.64 | 15.07 | - | 24.59 | 1,399.90 | 55.91 | 55.91 |
| Disposals | - | - | - | 3.12 | - | - | - | 3.12 | - | - |
| At March 31, 2017 | 150.37 | 2,769.41 | 4,290.38 | 20.28 | 22.31 | 26.11 | 87.39 | 7,366.25 | 70.11 | 70.11 |
| Additions | - | 63.45 | 444.60 | 4.24 | 5.46 | 9.38 | 0.14 | 527.27 | 33.35 | 33.35 |
| Written off | - | - | 23.43 | 0.51 | - | - | - | 23.94 | - | - |
| Disposals / adjustments | - | - | 1.46 | - | - | - | - | 1.46 | - | - |
| At March 31, 2018 | 150.37 | 2,832.86 | 4,710.09 | 24.01 | 27.77 | 35.49 | 87.53 | 7,868.12 | 103.46 | 103.46 |
| Accumulated depreciation / amortization | Land | Buildings | Plant and machinery | Computer equipment | Office equipment | Vehicles | Furniture & fixtures | Total | Software | Total |
| At April 1, 2016 | - | - | - | - | - | - | - | - | - | - |
| Charge for the year | - | 140.72 | 801.28 | 7.23 | 2.97 | 4.75 | 23.31 | 980.26 | 10.04 | 10.04 |
| Eliminated on the disposal of assets | - | - | - | 3.12 | - | - | - | 3.12 | - | - |
| At March 31, 2017 | - | 140.72 | 801.28 | 4.11 | 2.97 | 4.75 | 23.31 | 977.14 | 10.04 | 10.04 |
| Charge for the year | - | 131.54 | 858.78 | 7.91 | 5.93 | 5.83 | 16.83 | 1,026.82 | 20.21 | 20.21 |
| Eliminated on the disposal / write-off of assets | - | - | 6.26 | 0.30 | - | - | - | 6.56 | - | - |
| At March 31, 2018 | - | 272.26 | 1,653.80 | 11.72 | 8.90 | 10.58 | 40.14 | 1,997.40 | 30.25 | 30.25 |
| Carrying value | Land | Buildings | Plant and machinery | Computer equipment | Office equipment | Vehicles | Furniture & fixtures | Total | Software | Total |
| At March 31, 2018 | 150.37 | 2,560.60 | 3,056.29 | 12.29 | 18.87 | 24.91 | 47.39 | 5,870.72 | 73.21 | 73.21 |
| At March 31, 2017 | 150.37 | 2,628.69 | 3,489.10 | 16.17 | 19.34 | 21.36 | 64.08 | 6,389.11 | 60.07 | 60.07 |
| At April 1, 2016 | 150.37 | 2,528.58 | 3,182.61 | 11.76 | 7.24 | 26.11 | 62.80 | 5,969.47 | 14.20 | 14.20 |

| 4 Capital work-in-progress | | | |
|----------------------------|----------------------|----------------------|---------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| Plant & machinery | 713.65 | 228.59 | 181.23 |
| Buildings | 94.98 | 69.02 | 136.72 |
| Others | 78.56 | 25.09 | 2.89 |
| | 887.19 | 322.70 | 320.84 |

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5. Investments

Non-current other investments

| Name of the Company | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|---|----------------------|--------------|----------------------|--------------|---------------------|--------------|
| | No. of shares | Amount | No. of shares | Amount | No. of shares | Amount |
| ₹ in Lacs | | | | | | |
| A. At Fair Value | | | | | | |
| (i) Quoted investments | | | | | | |
| Investments in equity instruments | | | | | | |
| Apollo Tyres Limited | 500 | 1.38 | 500 | 1.04 | 500 | 0.87 |
| T.V.S. Srichakra Tyre Limited | 100 | 3.20 | 100 | 3.49 | 100 | 2.31 |
| MRF Limited | 50 | 36.15 | 50 | 30.36 | 50 | 19.15 |
| J.K.Tyre & Industries Limited | 300 | 0.48 | 300 | 0.39 | 300 | 0.25 |
| Ceat Limited | 37 | 0.56 | 37 | 0.49 | 37 | 0.40 |
| Goodyear India Limited | 200 | 2.22 | 200 | 1.69 | 200 | 0.96 |
| Govind Rubber Limited | 200 | 0.03 | 200 | 0.07 | 200 | 0.03 |
| Modi Rubber Limited | 50 | 0.04 | 50 | 0.05 | 50 | 0.02 |
| ICICI Bank Limited | 2,244 | 6.25 | 2,040 | 5.65 | 2,040 | 4.83 |
| Bengal & Assam Company Limited | 4 | 0.08 | 4 | 0.07 | 4 | 0.02 |
| J.K.Agri Genetics Limited | 3 | 0.03 | 3 | 0.02 | 3 | 0.01 |
| Summit Securities Limited | 2 | 0.02 | 2 | 0.01 | 2 | 0.01 |
| Dhampur Sugar Mills Limited | 1 | 0.01 | 1 | 0.01 | 1 | 0.01 |
| Florence Investech Limited | 2 | 0.04 | 2 | 0.02 | 2 | 0.01 |
| Total Quoted Investments | 3,693 | 50.49 | 3,489 | 43.36 | 3,489 | 28.88 |
| (ii) Unquoted Investments | | | | | | |
| Investment in Equity instruments | | | | | | |
| Dewan Tyres Limited. | 100 | - | 100 | 0.01 | 100 | 0.01 |
| Bombay Tyres International Limited | 50 | - | 50 | 0.01 | 50 | 0.01 |
| Dunlop India Limited | 100 | - | 100 | 0.07 | 100 | 0.07 |
| Total Unquoted Investments | 250 | - | 250 | 0.09 | 250 | 0.09 |
| Aggregate amount of Quoted investments (i) | | 50.49 | | 43.36 | | 28.88 |
| Aggregate amount of Unquoted investments (ii) | | - | | 0.09 | | 0.09 |
| Total | | 50.49 | | 43.45 | | 28.97 |

6. Investment property

| | ₹ in Lacs | | |
|----------------------------------|----------------------|----------------------|---------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| Deemed cost | | | |
| At the beginning of the year | 36.78 | 36.78 | 36.78 |
| Additions | - | - | - |
| Deletions | - | - | - |
| At the end of the year | 36.78 | 36.78 | 36.78 |
| Accumulated depreciation | | | |
| Up to beginning of the year | 0.84 | - | - |
| Charge for the year | 0.84 | 0.84 | - |
| Up to the end of the year | 1.68 | 0.84 | - |
| Net block | 35.10 | 35.94 | 36.78 |

Notes

forming part of the financial statements

Fair value of investment property

The fair value of investment property as at March 31, 2018, March 31, 2017 and April 1, 2016 has been arrived at, on the basis of valuation carried out as on the respective dates by M/s. R.K Makhija & Co., independent valuer not related to the company. M/s. R.K Makhija & Co., are registered with the authority which governs the valuers in India, and they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The residential unit in Bangalore, India, the fair value of which was derived using the market comparable approach, based on recent market prices without any significant adjustments being made to the market observable data.

Details of the investment property and information about the fair value hierarchy as at March 31, 2018, March 31, 2017 and April 1, 2016 are:

| | ₹ in Lacs | | |
|--|-------------------------|-------------------------|------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| a) Residential Property located @ Bangalore / Level of Hierarchy | Level 2 | Level 2 | Level 2 |
| b) Carrying value | 35.10 | 35.94 | 36.78 |
| c) Fair value | 226.80 | 239.40 | 238.50 |

7. Loans

| | ₹ in Lacs | | |
|---|-------------------------|-------------------------|------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| a. Non-current | | | |
| Secured, considered good | | | |
| Security deposits | 75.55 | 63.62 | 58.14 |
| Total | 75.55 | 63.62 | 58.14 |
| b. Current | | | |
| Secured, considered good | | | |
| a) Security deposits | 10.00 | 32.66 | 91.42 |
| b) Others - Loans and advances to employees | 13.09 | 18.55 | 18.57 |
| Total | 23.09 | 51.21 | 109.99 |

8. Other assets

| | ₹ in Lacs | | |
|--|-------------------------|-------------------------|------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| Other assets consists of the following | | | |
| a. Non-current | | | |
| a) Capital advances (unsecured, considered good) | 217.02 | 145.15 | 151.79 |
| Total | 217.02 | 145.15 | 151.79 |
| b. Current | | | |
| a) Advances to suppliers | 72.36 | 130.29 | 128.53 |
| b) Prepaid expense | 33.04 | 34.50 | 28.69 |
| c) Balance with government / statutory authorities | 140.58 | 207.28 | 151.04 |
| d) Others | 121.03 | 41.21 | 1.74 |
| Total | 367.01 | 413.28 | 310.00 |

Notes

forming part of the financial statements

9. Inventories

| | As at March 31, 2018 | As at March 31, 2017 | ₹ in Lacs As at April 1, 2016 |
|--|-------------------------|-------------------------|-------------------------------------|
| Valued at lower of cost and net realizable value | | | |
| Raw materials | 969.55 | 1,040.86 | 827.55 |
| Work-in-progress | 1,241.74 | 747.80 | 592.30 |
| Finished goods (Refer Note below) | 560.48 | 476.66 | 476.44 |
| Packing materials | 11.52 | 11.64 | 13.28 |
| Stores and spares | 553.25 | 509.55 | 451.49 |
| Total | 3,336.54 | 2,786.51 | 2,361.06 |

Note : Includes provision made for excise duty payable on unsold stock of finished goods as at March 31, 2017 and April 1, 2016

10. Trade receivables

| | As at March 31, 2018 | As at March 31, 2017 | ₹ in Lacs As at April 1, 2016 |
|--|-------------------------|-------------------------|-------------------------------------|
| Secured, considered good | - | - | - |
| Unsecured, considered good | 3,996.98 | 2,999.13 | 3,523.22 |
| Doubtful | 180.00 | 98.75 | - |
| | 4,176.98 | 3,097.88 | 3,523.22 |
| Provision for doubtful trade receivables | 180.00 | 45.00 | - |
| Total | 3,996.98 | 3,052.88 | 3,523.22 |

11. Cash and bank balances

| | As at March 31, 2018 | As at March 31, 2017 | ₹ in Lacs As at April 1, 2016 |
|-------------------------------------|-------------------------|-------------------------|-------------------------------------|
| a. Cash and cash equivalents | | | |
| Balances with banks | 47.84 | 55.70 | 1.47 |
| Cash on hand | 3.33 | 1.71 | 1.10 |
| Total | 51.17 | 57.41 | 2.57 |
| b. Other bank balances | | | |
| Unpaid dividend accounts | 10.61 | 9.14 | 9.21 |
| Total | 10.61 | 9.14 | 9.21 |

12. Trade receivables

| | As at March 31, 2018 | As at March 31, 2017 | ₹ in Lacs As at April 1, 2016 |
|---|-------------------------|-------------------------|-------------------------------------|
| Advance income-tax (net off provision for taxation) | 610.60 | 375.10 | 72.14 |
| Less : Income tax for the year | (369.91) | (219.50) | - |
| Tax receivable | 240.69 | 155.60 | 72.14 |

Notes

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13. Share capital

| | ₹ in Lacs | | |
|--|-------------------------|-------------------------|------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| a) Authorized shares (Nos.) | | | |
| 50,00,000 (March 31, 2017 : 50,00,000 ; April 1, 2016 : 50,00,000) Equity shares of Rs.10 each | 500.00 | 500.00 | 500.00 |
| b) Issued, subscribed and fully paid-up shares (Nos.) | | | |
| 9,90,027 (March 31, 2017 : 9,90,027 ; April 1, 2016 : 9,90,027) Equity shares of Rs.10 each fully paid up | 99.00 | 99.00 | 99.00 |
| Total issued, subscribed and fully paid-up share capital | 99.00 | 99.00 | 99.00 |

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

| Name of the Company | 2017-2018 | | 2016-2017 | |
|--------------------------------------|-----------|--------|-----------|--------|
| | Nos. | Amount | Nos. | Amount |
| Equity shares | | | | |
| At the beginning of the period | 9,90,027 | 99.00 | 9,90,027 | 99.00 |
| Outstanding at the end of the period | 9,90,027 | 99.00 | 9,90,027 | 99.00 |

d) Terms/ rights attached to equity shares

- i. The company has only one class of equity shares having a par value of Rs 10/- per share. Each holder of equity share is entitled to one vote per share.
- ii. In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- iii. The dividend for the year ended March 31, 2018, declared by the Board of Directors is Rs 15/- per equity share, subject to the approval of the shareholders in the ensuing Annual General Meeting. This would result in a cash outflow of ₹ 148.50 lakhs including dividend tax during the Financial year ended 2018-19.

e) Details of shareholders holding more than 5% shares in the Company

| | March 31, 2018 | | March 31, 2017 | | March 31, 2016 | |
|---|----------------|--------|----------------|--------|----------------|--------|
| | Nos. | Amount | Nos. | Amount | Nos. | Amount |
| Equity shares of Rs.10/- each fully paid | | | | | | |
| Mrs. Anuradha Maruti Gokarn | 280,041 | 28.29% | 280,041 | 28.29% | 280,041 | 28.29% |
| Mrs. Nirmala Murthy | 112,506 | 11.36% | 112,506 | 11.36% | 112,506 | 11.36% |
| Mr. K Raghunath Shenoy | 54,000 | 5.45% | 54,000 | 5.45% | 54,000 | 5.45% |

14. Other equity

| | ₹ in Lacs | | |
|---|-------------------------|-------------------------|------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| Securities premium account | 149.40 | 149.40 | 149.40 |
| General reserve | | | |
| Balance at the beginning of the year | 4,859.34 | 4,559.34 | 4,259.34 |
| Add: Transfer from the Statement of Profit & Loss | - | 300.00 | 300.00 |
| Closing balance | 4,859.34 | 4,859.34 | 4,559.34 |
| Retained earnings | 1,960.15 | 1,474.33 | 1,074.39 |
| Total | 6,968.89 | 6,483.07 | 5,783.13 |

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15. Borrowings

| | As at March 31, 2018 | As at March 31, 2017 | ₹ in Lacs As at April 1, 2016 |
|---|-------------------------|-------------------------|-------------------------------------|
| Non-current: At amortised cost | | | |
| Term loans (secured) | | | |
| From banks (Refer Note (i) below) | 1,017.30 | 994.00 | 878.01 |
| Loans from the related parties (Unsecured) | | | |
| Loan from Director (Refer note (ii) below) | 440.00 | 415.00 | 400.00 |
| Total | 1,457.30 | 1,409.00 | 1,278.01 |

i. Term loans from banks:

- Term loan-I from HDFC Bank carrying interest rate @ 10.55% p.a. to 10.75% p.a (for March 31, 2018, March 31, 2017 and April 01, 2016), repayable in 48 equated monthly instalments beginning from September, 2016.
- Term loan-II from HDFC Bank carrying interest rate @ 10.55% p.a. to 10.75% p.a (for March 31, 2018, March 31, 2017 and April 01, 2016), repayable in 59 equated monthly instalments beginning from March 2017.
- Term loan from Yes Bank carrying interest rate @ 9.10% p.a., repayable in 60 equated monthly installments.
- Term loan from Kotak Bank carrying interest rate @ 12 p.a. to 12.15%, repayable in 50 equated monthly instalments beginning from June, 2013. Entire loan repaid by July 2017.

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 buildings 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 finished goods and finished goods, consumable stores and spares and such other movables, book debts, bills whether documentary,
- further secured by personal guarantee of the Managing Director for entire loan.

ii. Loan from Director : It carries an Interest @ 10.5% to 9.10% (for March 31, 2018, March 31, 2017 and April 01, 2016)

16. Provisions

| | As at March 31, 2018 | As at March 31, 2017 | ₹ in Lacs As at April 1, 2016 |
|--|-------------------------|-------------------------|-------------------------------------|
| a) Non current | | | |
| Employee benefits (refer note (i) below) | 105.20 | 107.51 | 131.16 |
| b) Current | | | |
| Employee benefits (refer note (i) below) | | | |
| Provision for gratuity (Refer note 40) | 36.56 | 45.97 | 40.97 |
| Provision for leave benefits | 40.06 | 20.45 | 21.11 |
| Total | 76.62 | 66.42 | 62.08 |
| | 181.82 | 173.93 | 193.24 |

Note (i): The provisions for employee benefits include annual leave and vested long service leave entitlements accrued. For disclosures, refer note no. 40

Notes

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17. Deferred tax balances

| | As at March 31, 2018 | As at March 31, 2017 | ₹ in Lacs As at April 1, 2016 |
|---------------------------------------|-------------------------|-------------------------|-------------------------------------|
| Deferred tax assets | 197.60 | 150.92 | 63.89 |
| Deferred tax liabilities | 323.18 | 414.15 | 342.64 |
| Deferred tax liabilities (net) | 125.58 | 263.23 | 278.75 |

| | As at March 31, 2018 | As at March 31, 2017 | ₹ in Lacs As at April 1, 2016 |
|--|-------------------------|-------------------------|-------------------------------------|
| Deferred tax liabilities (net) | | | |
| Deferred tax liability | | | |
| a) Depreciation and amortisation | 323.18 | 414.15 | 342.64 |
| Gross deferred tax liability | 323.18 | 414.15 | 342.64 |
| Deferred tax asset | | | |
| a) Provision towards employee benefits | 66.64 | 57.50 | 63.89 |
| b) Provision for doubtful debts | 52.42 | 14.88 | - |
| c) Mat credit entitlement | 78.54 | 78.54 | - |
| Gross deferred tax asset | 197.60 | 150.92 | 63.89 |
| Net deferred tax liability | 125.58 | 263.23 | 278.75 |

18. Current borrowings

| | As at March 31, 2018 | As at March 31, 2017 | ₹ in Lacs As at April 1, 2016 |
|---|-------------------------|-------------------------|-------------------------------------|
| Secured - at amortised cost | | | |
| Loans repayable on demand | | | |
| Cash credit from banks (Refer Note (i) below) | 3,584.07 | 3,672.08 | 4,135.04 |
| Total | 3,584.07 | 3,672.08 | 4,135.04 |

(i) Cash credit from banks:

- It carries interest rate @ 8.5% - 10.60 % p.a (for March 31, 2018, March 31, 2017 and April 01, 2016), are repayable on demand
Cash credit form bank is secured
- 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,
- 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,
- 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,
- further secured by personal guarantee of the Managing Director for the entire loan amount.

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19. Trade payables

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Dues to enterprises covered under MSMED Act, 2006 (Refer Note 36) | - | 50.35 | 358.51 |
| Others | 2,306.40 | 912.07 | 522.76 |
| Total | 2,306.40 | 962.42 | 881.27 |

₹ in Lacs

20. Other financial liabilities

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---------------------------------------|-------------------------|-------------------------|------------------------|
| Current maturities of long term debts | 451.69 | 375.53 | 217.70 |
| Unpaid dividend | 10.55 | 9.09 | 9.15 |
| Others | | | |
| Dealer deposits | 1.20 | 1.40 | 0.45 |
| Rental deposits | 3.50 | 3.50 | 1.50 |
| Total | 466.94 | 389.52 | 228.80 |

₹ in Lacs

21. Other current liabilities

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|----------------|-------------------------|-------------------------|------------------------|
| Statutory dues | 45.37 | 133.82 | 91.14 |
| Total | 45.37 | 133.82 | 91.14 |

₹ in Lacs

22. Revenue from operations

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Sale of products (Refer Note i) | 18,646.19 | 18,677.86 |
| Other operating Income | 4,003.62 | 2,036.93 |
| Total | 22,649.81 | 20,714.79 |

₹ in Lacs

- i) Post implementation of Goods & Service Tax (GST) with effect from July 1, 2017, revenue from operations is disclosed net of GST. Revenue from operations for the earlier periods include excise duty which is now subsumed in the GST. Revenue from operations for the current financial year ended March 31, 2018 includes excise duty up to June 30, 2017. Accordingly, revenue from operations for the current year and the previous year are not comparable.

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23. Other income

| | ₹ in Lacs | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| a) Interest income | | |
| Other financial assets carried at amortised cost | 3.97 | 9.09 |
| b) Dividend income | | |
| Dividend from equity instruments | 0.19 | 0.25 |
| c) Other non-operating income | | |
| Investment property rental income | 4.03 | 4.20 |
| Export incentives | 7.05 | 11.66 |
| Others | 2.93 | - |
| d) Other gains and losses | | |
| Net foreign exchange gains | 164.86 | 177.84 |
| Gain on disposal of property, plant and equipment | 0.43 | 1.10 |
| Net gain on derecognition of financial liabilities measured at amortised cost (Refer note (i) below) | 0.21 | - |
| Net gain on financial assets mandatorily carried at fair value through profit or loss (Refer note (ii) below) | 7.13 | 14.48 |
| Total | 190.80 | 218.62 |

Notes:

(i) Net gain on derecognition of financial liabilities measured at amortised cost is due to written back of creditors balance

(ii) The amount represents the gain on equity instruments which are mandatorily measured at fair value

24. Cost of material consumed

| | ₹ in Lacs | |
|--------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| Opening stock | 1,040.86 | 827.55 |
| Add: Purchases during the year | 14,219.71 | 11,241.02 |
| Less: Closing stock | 969.55 | 1,040.86 |
| Total | 14,291.02 | 11,027.71 |

25. Change in inventories of finished goods and work-in-progress

| | ₹ in Lacs | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| Inventories at the end of the year | | |
| Work-in-progress | 1,241.74 | 747.80 |
| Finished goods | 560.48 | 476.66 |
| | 1,802.22 | 1,224.46 |
| Inventories at the beginning of the year | | |
| Work-in-progress | 747.80 | 592.30 |
| Finished goods | 476.66 | 476.44 |
| | 1,224.46 | 1,068.74 |
| Total | (577.76) | (155.72) |

Notes

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26. Excise duty on sale of goods

| | For the year ended March 31, 2018 | ₹ in Lacs For the year ended March 31, 2017 |
|------------------------------|--------------------------------------|---|
| Excise duty on sale of goods | 570.84 | 2,027.04 |

27. Employee benefits expense

| | For the year ended March 31, 2018 | ₹ in Lacs For the year ended March 31, 2017 |
|---|--------------------------------------|---|
| Salaries, wages and bonus | 2,665.90 | 2,294.36 |
| Contribution to provident and other funds | 113.66 | 106.26 |
| Staff welfare expenses | 163.40 | 188.28 |
| Total | 2,942.96 | 2,588.90 |

28. Depreciation and amortization expense

| | For the year ended March 31, 2018 | ₹ in Lacs For the year ended March 31, 2017 |
|---------------------------------------|--------------------------------------|---|
| Depreciation of Tangible assets | 1,026.81 | 980.26 |
| Amortization of Intangible assets | 20.21 | 10.04 |
| Depreciation on Investment properties | 0.84 | 0.84 |
| Total | 1,047.86 | 991.14 |

29. Finance costs

| | For the year ended March 31, 2018 | ₹ in Lacs For the year ended March 31, 2017 |
|--|--------------------------------------|---|
| Interest on cash credit and term loans | 456.73 | 463.01 |
| Interest on loans from related party (Refer note 38) | 39.54 | 31.87 |
| Total | 496.27 | 494.88 |

Notes

forming part of the financial statements

30. Revenue from operations

| | ₹ in Lacs | |
|---|--|--------------------------------------|
| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| Electricity and water charges | 492.42 | 437.24 |
| Job work charges | 179.06 | 202.03 |
| Transportation charges | 64.38 | 61.02 |
| Rent (Refer Note 33) | 17.35 | 12.82 |
| Rates and taxes | 8.16 | 19.73 |
| Insurance | 41.85 | 31.99 |
| Repairs and maintenance | | |
| Plant and Machinery | 34.90 | 11.35 |
| Buildings | 36.87 | 37.88 |
| Vehicle | 4.34 | 3.96 |
| Others | 73.10 | 53.40 |
| Advertising and sales promotion | 53.74 | 80.66 |
| Travelling and conveyance | 107.88 | 80.86 |
| Communication costs | 25.87 | 26.77 |
| Printing and stationery | 28.11 | 29.58 |
| Legal and professional fees | 153.84 | 122.89 |
| Directors' sitting fees | 8.75 | 8.50 |
| Directors' commission | 12.21 | 11.69 |
| Payment to statutory auditor (Refer note below) | 13.00 | 9.05 |
| Watch and ward | 55.91 | 52.65 |
| Packing and forwarding | 518.46 | 498.72 |
| Stores and spares consumed | 881.05 | 793.38 |
| Donation | 1.50 | 1.06 |
| CSR expenditure (Refer note 37) | 19.21 | 14.94 |
| Loss arising on financial assets carrying at amortised cost | 135.00 | 45.00 |
| Loss arising on derecognition of financial assets | 107.82 | 125.20 |
| Loss on assets written off | 17.81 | - |
| Provision for diminution in investments | 0.09 | - |
| Miscellaneous expenses | 94.87 | 102.88 |
| Total | 3,187.56 | 2,875.25 |

Note

| | ₹ in Lacs | |
|------------------------------|--|--------------------------------------|
| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| Payment to statutory auditor | | |
| As Auditor: | | |
| - Statutory audit fee | 13.00 | 8.00 |
| - Reimbursement of expenses | - | 1.05 |
| Total | 13.00 | 9.05 |

Notes

forming part of the financial statements

31. Tax expenses

| Particulars | ₹ in Lacs | |
|------------------------------|--|--------------------------------------|
| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| a) Current income tax | | |
| In respect of current year | 369.91 | 219.50 |
| b) Deferred tax | | |
| In respect of current year | (141.76) | (3.44) |
| Total | 228.15 | 216.06 |

c) Tax reconciliation

| Particulars | ₹ in Lacs | |
|---|--|--------------------------------------|
| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| Profit before tax as per statement of profit and loss | 881.86 | 1,084.21 |
| Income tax calculated at 34.61% | 305.19 | 375.22 |
| Effect of 35 (2AB) claim for Revenue expenses | (41.53) | (72.11) |
| Effect of 35 (2AB) claim for Capital expenses | (33.18) | (84.03) |
| Adjustments for fixed assets written off | 6.16 | - |
| Disallowance of CSR expenses | 6.65 | - |
| Effect on deferred tax balances due to the change in income tax from 34.61% to 29.12% | (14.44) | - |
| Others | (0.71) | (3.02) |
| Income tax recognised in Statement of Profit or Loss | 228.15 | 216.06 |

d) Significant components of net deferred tax assets and liabilities as at March 31, 2018 are as follows

| Particulars | Opening balance | Recognised in Profit and Loss | Recognised in other comprehensive income | ₹ in Lacs |
|--|-----------------|-------------------------------|--|-----------------|
| | | | | Closing balance |
| Deferred tax assets/(liabilities) in relation to | | | | |
| a) Depreciation and amortization | (414.15) | 90.97 | - | (323.18) |
| b) Provision for employee benefits | 57.50 | 13.25 | (4.40) | 66.64 |
| c) Provision for doubtful debts | 14.88 | 37.54 | - | 52.42 |
| d) MAT credit entitlement | 78.54 | - | - | 78.54 |
| Total | (263.23) | 141.76 | (4.40) | (125.58) |

Significant components of net deferred tax assets and liabilities as at March 31, 2017 are as follows

| Particulars | Opening balance | Recognised in Profit and Loss | Recognised in other comprehensive income | ₹ in Lacs |
|--|-----------------|-------------------------------|--|-----------------|
| | | | | Closing balance |
| Deferred tax assets/(liabilities) in relation to | | | | |
| a) Depreciation and amortization | (342.64) | (71.51) | - | (414.15) |
| b) Provision for employee benefits | 63.89 | (18.47) | 13.00 | 57.50 |
| c) Provision for doubtful debts | - | 14.88 | - | 14.88 |
| d) MAT credit entitlement | - | 78.54 | - | 78.54 |
| Total | (278.75) | 3.44 | 13.00 | (263.23) |

Notes

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Significant components of net deferred tax assets and liabilities as at April 1, 2016 are as follows

| Particulars | ₹ in Lacs | |
|--|-----------------|--|
| | Balance | |
| Deferred tax assets/(liabilities) in relation to | | |
| a) Depreciation and amortization | (342.64) | |
| b) Provision for employee benefits | 63.89 | |
| Total | (278.75) | |

32. Earnings per share (EPS)

| | ₹ in Lacs | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| Profit attributable to equity share holders (Rs. in lakhs) | 653.72 | 868.15 |
| Weighted average number of shares outstanding (Numbers in lakhs) | 9.90 | 9.90 |
| Nominal value of shares (Rs.) | 10 | 10 |
| Basic and Diluted earnings per share (Rs.) | 66.03 | 87.69 |

33. Leases

Operating lease arrangements

The Company has certain operating leases for office facilities (cancellable leases) with lease term between 1 and 5 years. Such leases are generally with the option of renewal against increased rent and premature termination of agreement. Rental expenses of Rs. 17.35 lakhs (previous year: Rs.12.82 Lakhs) in respect of obligation under operating leases have been recognised in the statement of profit and loss. The Company does not have any non-cancellable leases as at March 31, 2018, hence the disclosure of the non-cancellable leases is not provided.

34. Contingent liabilities

| Particulars | ₹ in Lacs | | |
|--|-------------------------|-------------------------|------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| a) Claims against the Company not acknowledged as debt | | | |
| i. Disputed income tax demands, pending in appeal | 23.27 | 23.27 | 23.27 |
| b) Guarantees excluding financial guarantees | | | |
| i. Bank guarantee | 27.00 | 27.00 | 81.00 |
| ii. Letter of credit outstanding | 874.54 | 627.81 | 525.98 |
| Total | 924.81 | 678.08 | 630.26 |

Note : (i) Contingent liabilities disclosed above represent possible obligations where possibility of cash outflow to settle the obligations is not remote.

35. Commitments

| Particulars | ₹ in Lacs | | |
|--|-------------------------|-------------------------|------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| Other commitments | | | |
| Commitments for acquisition of property, plant and equipment | 453.49 | 323.95 | 264.93 |
| Total | 453.49 | 323.95 | 264.93 |

Notes

forming part of the financial statements

36. Disclosures required under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006

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, 2018. Further, no interest during the year has been paid or payable under the terms of the MSMED Act 2006.

| Particulars | ₹ in Lacs | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year; | - | 50.35 |
| The amount of interest paid by the buyer under the Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| The amount of interest due and payable for the year (where the principal has been paid but interest under the Act not paid); | - | - |
| The amount of interest accrued and remaining unpaid at the end of accounting year; and | - | - |
| "The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23. | - | - |

37. Corporate Social Responsibility (CSR)

| Particulars | ₹ in Lacs | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| Gross amount required to be spent by the Company as per Section 135 of the Act | 19.21 | 14.94 |
| Amount spent during the year | 19.21 | 14.94 |

38. Related party disclosures

The Company material related party transactions and outstanding balances are with the Key managerial personnel and directors.

A) Related parties with relationships

| Names of the related party | Description of the relationship |
|--|--|
| Aditya M. Gokran | Key management personnel (KMP) |
| Shrikant Kamalakant Welling | Director |
| Anuradha M. Gokran | Director |
| Bhaskar Ramachandra Pai | Director |
| Tamhant Jain | Director |
| Srikanth Shenoy | Key management personnel (KMP) |
| Apoorva G | Key management personnel (KMP) |
| V Sridhar | Key management personnel (KMP) |
| M/s Suvadhan, Bangalore partnership firm | Key managerial personnel has significant influence |

Notes:

- The above information has been determined to the extent such parties have been identified on the basis of information provided by the company, which has been relied upon by the auditors
- There are no amounts written-off/written back or provided for during the year in respect of debts due from/to related parties.

Notes

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B) Related party transactions and balances outstanding

Related party transactions during the year ended March 31, 2018 and balances outstanding as at March 31, 2018

₹ in Lacs

| Nature of transactions | KMP | Director | KMP having significant influence |
|--------------------------------|--------|----------|----------------------------------|
| Purchase of goods & services | | | |
| Interest paid | - | 39.54 | - |
| Sitting fee | - | 8.75 | - |
| Commission paid | - | 12.13 | - |
| Managerial remuneration | | | |
| Short-term benefits | 132.30 | - | - |
| Balance outstanding | | | |
| Payable | | | |
| Loan | - | 440.00 | - |

Related party transactions during the year ended March 31, 2017 and balances outstanding as at March 31, 2017

₹ in Lacs

| Nature of transactions | KMP | Director | KMP having significant influence |
|--------------------------------|--------|----------|----------------------------------|
| Purchase of goods & services | | | 17.07 |
| Interest paid | 0.24 | 42.50 | - |
| Sitting fee | - | 8.50 | - |
| Commission paid | - | 11.69 | - |
| Managerial remuneration | | | |
| Short-term benefits | 116.58 | - | - |
| Balance outstanding | | | |
| Payable | | | |
| Loan | - | 415.00 | - |

Related party transactions during the year ended April 1, 2016 and balances outstanding as at April 1, 2016

₹ in Lacs

| Nature of transactions | KMP | Director | KMP having significant influence |
|--------------------------------|-------|----------|----------------------------------|
| Purchase of goods & services | | | 36.13 |
| Interest paid | 1.10 | 40.82 | - |
| Sitting fee | - | 3.90 | - |
| Commission paid | - | 9.64 | - |
| Managerial remuneration | | | |
| Short-term benefits | 93.75 | - | - |
| Balance outstanding | | | |
| Payable | | | |
| Loan | 10.00 | 390.00 | - |
| Trade payable | - | - | 3.89 |

Notes

forming part of the financial statements

39. Financial instruments

A) Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

| Particulars | ₹ in Lacs | | |
|---|-------------------------|-------------------------|------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| Total equity attributable to the equity shareholders of the company | 7,067.89 | 6,582.06 | 5,882.13 |
| As a percentage of total capital | 56% | 55% | 51% |
| Current borrowings | 4,035.76 | 4,047.61 | 4,352.74 |
| Non-current borrowings | 1,457.31 | 1,409.00 | 1,278.01 |
| Total borrowings | 5,493.07 | 5,456.61 | 5,630.75 |
| As a percentage of total capital | 44% | 45% | 49% |
| Total | 12,560.96 | 12,038.67 | 11,512.88 |

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has always been a net cash Company with cash and bank balances along with investment which is predominantly investment in liquid being in excess of debt.

B) Categories of financial instruments

The fair value of financial instruments by categories as at 31 March 2018, 31 March 2017 and 1 April 2016 is as follows:

| Particulars | Carrying Value | | | Fair Value | | |
|---------------------------------|-------------------------|-------------------------|------------------------|-------------------------|-------------------------|------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| Financial assets | | | | | | |
| Measured at amortised cost | | | | | | |
| (a) Trade receivables | 3,996.98 | 3,052.88 | 3,523.22 | 3,996.98 | 3,052.88 | 3,523.22 |
| (b) Cash and cash equivalents | 61.78 | 66.55 | 11.78 | 61.78 | 66.55 | 11.78 |
| (c) Loans | 98.64 | 114.83 | 168.13 | 98.64 | 114.83 | 168.13 |
| (d) Other financial assets | 0.72 | 0.72 | 0.72 | 50.49 | 43.45 | 28.97 |
| Total | 4,158.12 | 3,234.98 | 3,703.85 | 4,207.89 | 3,277.71 | 3,732.10 |
| Financial liabilities | | | | | | |
| Measured at amortised cost | | | | | | |
| (a) Trade payables | 2,306.41 | 962.44 | 881.27 | 2,306.41 | 962.44 | 881.27 |
| (b) Other financial liabilities | 466.94 | 389.52 | 228.80 | 466.94 | 389.52 | 228.80 |
| (c) Loans | 5,041.38 | 5,081.08 | 5,413.05 | 5,041.38 | 5,081.08 | 5,413.05 |
| Total | 7,814.73 | 6,433.04 | 6,523.12 | 7,814.73 | 6,433.04 | 6,523.12 |

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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C) Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies.

"The Company's financial risk management is supported by the finance department

- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns."

i) Management of credit risk

Credit risk is the risk of financial loss to the Company arising from counter party failure to meet its contractual obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after necessary approvals for credit.

"Trade receivables

The Company assess the customers credit quality by taking into account their financial position, past experience and other factors. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment."

| Particulars | ₹ in Lacs | | |
|---------------------------------|-------------------------|-------------------------|------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| Revenue from top 5 customers | 9,024.47 | 9,233.39 | - |
| Revenue from top customer | 4,037.54 | 3,444.67 | - |
| Receivable from top 5 customers | 1,650.45 | 1,545.09 | 1,388.68 |
| Receivable from top customer | 519.35 | 648.27 | 602.76 |

Geographic concentration of credit risk

The Company has geographic concentration of trade receivables, net of allowances as given below:

| Particulars | ₹ in Lacs | | |
|-------------------|-------------------------|-------------------------|------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| India | 3,767.95 | 2,794.15 | 3,198.04 |
| Rest of the world | 229.03 | 258.73 | 325.18 |

Geographic concentration of the credit risk is allocated based on the location of the customers

ii) Management of liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the Company's credit rating and impair investor confidence. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

Notes

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The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows:

| Particulars | ₹ in Lacs | | | | |
|-----------------------------|---------------------------------|---------------------|-----------|-----------|----------|
| | As at March 31, 2018 | Less than 1 year | 1-3 Years | 3-5 Years | Total |
| Borrowings | 5,041.37 | 3,584.07 | 1,197.56 | 259.75 | 5,041.38 |
| Trade payables | 2,306.40 | 2,306.40 | - | - | 2,306.40 |
| Other financial liabilities | 466.94 | 466.94 | - | - | 466.94 |

| Particulars | ₹ in Lacs | | | | |
|-----------------------------|---------------------------------|---------------------|-----------|-----------|----------|
| | As at March 31, 2017 | Less than 1 year | 1-3 Years | 3-5 Years | Total |
| Borrowings | 5,081.08 | 3,672.08 | 1,118.39 | 290.61 | 5,081.08 |
| Trade payables | 962.42 | 962.42 | - | - | 962.42 |
| Other financial liabilities | 389.52 | 389.52 | - | - | 389.52 |

| Particulars | ₹ in Lacs | | | | |
|-----------------------------|---------------------------------|---------------------|-----------|-----------|----------|
| | As at March 31, 2016 | Less than 1 year | 1-3 Years | 3-5 Years | Total |
| Borrowings | 5,413.05 | 4,135.04 | 852.01 | 426.00 | 5,413.05 |
| Trade payables | 881.27 | 881.27 | - | - | 881.27 |
| Other financial liabilities | 228.80 | 228.80 | - | - | 228.80 |

iii) Management of market risk

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- interest rate risk
- commodity price risk
- currency risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of, these risks is explained below:

| ₹ in Lacs | | |
|---|--|---|
| MANAGEMENT POLICY | POTENTIAL IMPACT OF RISK | SENSITIVITY TO RISK |
| (i) Interest rate risk The Company is not exposed to interest rate risk because it borrows funds at only fixed interest rate in INR. | The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. | The Company is not exposed to interest Risk |

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| MANAGEMENT POLICY | POTENTIAL IMPACT OF RISK | SENSITIVITY TO RISK |
|--|---|---|
| <p>(ii) Price risk Major raw material purchase is from international market and less dependency on domestic market. The prices of the Company's raw materials generally fluctuate in line with commodity cycles.</p> | <p>The objective of the Company is to minimise the impact of raw material cost fluctuations. Centralised procurement team evaluate and manage through operating procedures and sourcing policies.</p> | <p>The prices of the Company's raw materials generally fluctuate in line with commodity cycles. Hence sensitivity analysis is not done</p> |
| <p>(iii) Currency risk The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses. A significant portion of the Company's costs are in the foreign currencies, while a significant portion of its revenue is in Indian rupees</p> | <p>Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro and JPY against the functional currency of the Company. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's profits measured in rupees may increase. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company has risk management team and treasury team who will monitor and reduce the risk due to exchange fluctuation.</p> | <p>If the exchange rate increases by 1% impact on buyers credit will increase by Rs 4lakhs, On debtors the benefit will increase by Rs 3lakhs</p> |

The following table sets forth information relating to foreign currency exposures as at March 31, 2018, March 31, 2017 and April 1, 2016

| | ₹ in Lacs | | | |
|-----------------------------|-----------|--------|--------|----------|
| As at March 31, 2018 | USD | EURO | Others | Total |
| Total financial assets | 325.09 | 179.46 | 1.16 | 505.71 |
| Total financial liabilities | 1,296.34 | 29.30 | - | 1,325.64 |
| As at March 31, 2017 | USD | EURO | Others | Total |
| Total financial assets | 265.02 | - | 1.42 | 266.44 |
| Total financial liabilities | 1,431.65 | 1.25 | - | 1,432.90 |
| As at March 31, 2016 | USD | EURO | Others | Total |
| Total financial assets | 334.10 | - | - | 334.10 |
| Total financial liabilities | 1,066.94 | 9.23 | - | 1,076.17 |

Notes

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D) Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

| | ₹ in Lacs | | | |
|--------------------------|--------------|-------------|----------|--------------|
| As at March 31, 2018 | Level 1 | Level 2 | Level 3 | Total |
| Financial assets: | | | | |
| Investments | 50.49 | - | - | 50.49 |
| Total | 50.49 | - | - | 50.49 |
| As at March 31, 2017 | Level 1 | Level 2 | Level 3 | Total |
| Financial assets: | | | | |
| Investments | 43.45 | 0.09 | - | 43.54 |
| Total | 43.45 | 0.09 | - | 43.54 |
| As at March 31, 2016 | Level 1 | Level 2 | Level 3 | Total |
| Financial assets: | | | | |
| Investments | 28.97 | 0.09 | - | 29.06 |
| Total | 28.97 | 0.09 | - | 29.06 |

40. Employee benefits

(a) Defined contribution plan

The Company's contribution to Provident Fund aggregating ₹ 113.66 lakhs (March 31, 2017: Rs. 106.26 lakhs) has been recognised in the Statement of Profit and Loss under the head Employee benefits expense.

(b) Defined benefit plans:

Gratuity

The Gratuity scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the period of service at the time of separation and paid as lumpsum. There is a vesting period of 5 years.

These plans typically expose the company to actuarial risks such as:

- (i) Investment risk: The fund is managed by LIC, fund manager. So, the details of composition of plan assets managed by the fund manager is not available with the company. However, the fall in plan assets will increase the defined benefit obligation.
- (ii) Interest rates risk: the defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- (iii) Salary inflation risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, increase in salary will increase the defined benefit obligation.
- (iv) Demographic risks: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. As the increase in life expectancy of the plan participants will increase the plan's liability.

In respect of the plan, the most recent actuarial valuation of plan assets and the present value of the defined benefit obligation were carried as at March 31, 2018, March 31, 2017 and April 1, 2016 by M/s. Armstrong International Employee Benefits Solution, Mr. Srinivasan Nagasubramanian, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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Amount recognised in statement of profit and loss

| Particulars | ₹ in Lacs | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows: | | |
| Service cost | | |
| Current service cost | 28.85 | 36.25 |
| Net interest expense | 10.44 | 8.89 |
| Immediate recognition of (gain)/losses-Other long term benefits | - | - |
| | 39.29 | 45.14 |
| Amounts recognised in other comprehensive income in respect of these defined benefit plans are as follows: | | |
| Return on plan assets (excluding amount included in net interest expense) | 3.40 | 3.97 |
| Actuarial gains and loss arising from changes in financial assumptions in DBO | (9.29) | 11.67 |
| Actuarial gains and loss arising from experience adjustments in DBO | (9.24) | 22.56 |
| Actuarial gains and loss arising from changes in Demographic assumptions in DBO | - | - |
| Amortisation actuarial loss/(gain) | - | - |
| | (15.12) | 38.20 |
| Total | 24.16 | 83.34 |

Amount recognised in the Balance Sheet

| Particulars | ₹ in Lacs | | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
| Present value of defined benefit obligation | 466.20 | 450.54 | 368.67 |
| Fair value of plan assets | 324.44 | 297.06 | 196.54 |
| | 141.76 | 153.48 | 172.13 |
| Current portion of the above | 36.56 | 45.97 | 40.97 |
| Non current portion of the above | 105.20 | 107.51 | 131.16 |

Movement in present value of defined benefit obligation are as follows:

| Particulars | ₹ in Lacs | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| Opening defined obligation | 450.54 | 368.67 |
| Expenses recognised in Profit and Loss Account | | |
| - Current service cost | 28.85 | 36.25 |
| - Interest expense (income) | 33.60 | 26.51 |
| Recognised in other comprehensive income | | |
| Remeasurement gains / (losses) | | |
| - Actuarial gain (loss) arising from: | | |
| i. Demographic assumptions | - | - |
| ii. Financial assumptions | (9.29) | 11.67 |
| iii. Experience adjustments | (9.24) | 22.56 |
| Benefit payments | (28.27) | (15.12) |
| Closing defined obligation | 466.20 | 450.54 |

Notes

forming part of the financial statements

Movement in fair value of the plan assets is as follows:

| Particulars | ₹ in Lacs | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| Opening fair value of plan assets | 297.06 | 196.54 |
| Expenses recognised in Profit and Loss Account | | |
| - Expected return on plan assets | 23.17 | 17.62 |
| Recognised in other comprehensive income | | |
| Remeasurement gains / (losses) | | |
| - Actual return on plan assets in excess of the expected return | (3.40) | (3.97) |
| Contributions by employer (including benefit payments recoverable) | 35.88 | 102.00 |
| Benefit payments | (28.27) | (15.13) |
| Closing fair value of plan assets | 324.44 | 297.06 |

i) The Major categories of plan assets

| | | | |
|--------------------------------|------|------|------|
| Assets under insurance schemes | 100% | 100% | 100% |
|--------------------------------|------|------|------|

j) Actuarial assumptions

| | | | |
|---|-------|-------|-------|
| 1. Discount rate | 7.70% | 7.34% | 7.80% |
| 2. Expected rate of return on plan assets | 7.70% | 7.34% | 8% |
| 3. Salary escalation | 9% | 9% | 9% |
| 4. Attrition rate | 5% | 5% | 5% |
| 5. Retirement age | 58 | 58 | 58 |

5. Mortality rate

As per IALM (2006-08) ultimate

Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined obligation are discount rate, salary escalation and attrition rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

-If the discount rate increases (decreases) by 1%, the defined benefit obligation would be decreased by Rs. 442.21 lakhs (increased by Rs. 492.95 lakhs) as at March 31, 2018

-If the expected salary escalation increases (decrease) by 1%, the defined benefit obligation would be increases by Rs. 490.72 lakhs (decreases by Rs. 443.27 lakhs) as at March 31, 2018

-If the attrition rate increases (decreases) by 1%, the defined benefit obligation would be decreased by Rs.463.27 lakhs (increases by Rs.469.40 lakhs) as at March 31, 2018

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method under which If an employee's service in later years will lead to a materially higher level of benefit than in earlier years, these benefits are attributed on a straight-line basis.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years, except that base rates have changed

There has been no change in the process used by the Company to manage its risks from prior periods.

Notes

forming part of the financial statements

Expected future Cash outflows towards the plan are as follows

| Particulars | ₹ in Lacs |
|-------------------------|---------------|
| 2018-19 | 51.84 |
| 2019-20 | 62.87 |
| 2020-21 | 43.56 |
| 2021-22 | 51.52 |
| 2022-23 | 39.14 |
| 2023-24 to 2028- 29 | 129.48 |
| Payouts Above Ten Years | 87.78 |
| Total | 466.20 |

41. First-time adoption of Ind AS

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018 and the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of opening Ind AS balance sheet at April 1, 2016 (transition date). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act ("Previous GAAP") and an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is presented in the form of reconciliations below.

A Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A1 Ind AS optional exemptions

(a) Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40. Accordingly, the company has elected to measure all of its property, plant and equipment, investment property and intangible assets at their Previous GAAP carrying value.

A2 Ind AS mandatory exceptions

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with Previous GAAP.

(b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, classification and measurement of the financial assets has been based on the facts and circumstances that exist at the date of transition to Ind AS.

Notes

forming part of the financial statements

Total comprehensive income reconciliation

| Particulars | ₹ in Lacs | |
|---|--------------------------------------|--|
| | For the year ended March 31, 2017 | |
| Profit after tax as reported under the previous GAAP | 828.47 | |
| Fair valuation of investments (Refer Note 1 below) | 14.48 | |
| Actuarial (gain)/loss on employee defined benefit plans recognised in other Comprehensive Income (Refer Note 3 below) | 38.20 | |
| Tax impact on the above (Refer Note 3 below) | (13.00) | |
| Profit after tax as per Ind AS | | |
| Other comprehensive income | 25.20 | |
| Total comprehensive income | 842.95 | |

Equity reconciliation

| Particulars | ₹ in Lacs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2017 | As at March 31, 2016 |
| Total equity (shareholder's funds) as per previous GAAP | 6,539.35 | 5,710.90 |
| Proposed dividend (Refer Note 2 below) | - | 118.80 |
| Tax impact on proposed dividend (Refer Note 2 below) | - | 24.19 |
| Fair valuation of investments (Refer Note 1 below) | 42.72 | 28.24 |
| Total comprehensive income | 6,582.07 | 5,882.13 |

Notes:

- Under Ind AS, Investments are fair valued at each reporting date with changes in fair value recognized in the statement of profit and loss. Under Previous GAAP, they are measured at lower of cost or net realisable value. Consequently, increase in fair value of such investments in equity instruments has resulted in a gain.
 - Under Ind AS, liability for dividend is recognized in the period in which the obligation to pay is established. Under previous GAAP, a liability is recognized in the period to which the dividend relates, even though the dividend may be approved by the shareholders subsequent to the reporting date. Consequently, dividend payable under Ind AS is lower and retained earning is higher.
 - Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in other comprehensive income whereas in Previous GAAP, actuarial gains and losses were recognised in the statement profit and loss. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of statement of profit and loss.
- 42** This being the first year of presentation of financial statements under Ind AS , the balance for the prior periods has been regrouped/ reclassified to confirm with the current year groupings / classifications.

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

S. K. Welling
Chairman
DIN: 00050943

Srikanth Shenoy
Chief Financial Officer

Place: Bangalore
Date: May 4, 2018

Aditya M. Gokarn
Managing Director
DIN: 00185458

Apoorva. G
Company Secretary
Membership No.32683

