



**TRITON**

Touching Lives. Moving India.®

September 02, 2021

To  
The General Manager  
Listing Department  
BSE Limited  
Department of Corporate Services  
PJ towers, Dalal Street, Mumbai -400 001  
BSE Symbol: 505978

Dear Sir/Madam,

**Sub: Submission of Annual Report under Regulation 34(1) of SEBI (LODR) Regulations, 2015:**


In compliance with Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report of Triton Valves Limited for the financial year 2020-21.

The Annual Report is uploaded on the website of the Company at [www.tritonvalves.com](http://www.tritonvalves.com).

Please take the same on records.

Thanking You,

Yours Sincerely,  
For Triton Valves Limited

  
Swathishree K R  
Company Secretary & Compliance Officer  
Encl: a/a





# NEXT LEVEL

TRITON VALVES LIMITED | ANNUAL REPORT 2020-21

# Inside the Report

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Pls visit [www.tritonvalves.com](http://www.tritonvalves.com)

**FOR OVER FOUR  
DECADES, WE, AT  
TRITON VALVES,  
HAVE ESTABLISHED  
A SOLID FOUNDATION  
WITH OUR PRECISION  
ENGINEERING  
EXCELLENCE.**

### 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.




We have consistently invested in R&D to make breakthrough products that meet safety and performance requirements of customers globally across diverse industries. We have modernized our manufacturing facilities to set new benchmarks in quality and operational excellence. We have scaled capacities to address the ever-growing demand. We have built a solid team of skilled technicians, engineers and managers who are enabling us to meet the ever-changing needs of our customers.

**The result:**

Today, we have emerged as India's largest manufacturer of automotive tyre valves, valve cores and accessories and a critical supplier of valves and components to world's leading companies. And this helped us to deliver a resounding performance even in a challenging FY 2020-21 when the world was impacted by the COVID-19 pandemic and automotive industry bottomed.

7.4%   
Revenue

5.9%   
EBITDA

43.2%   
PAT

**It is now time that we take our growth ahead to the NEXT LEVEL...**

By venturing new horizons (new technologies and product applications across industries) through our subsidiaries

By leveraging their expertise to strengthen our global market and widen customer base

**NEXT  
LEVEL**





# Triton Valves:

## Precision Engineering Excellence

**Largest manufacturer of automotive tyre valves, valve cores and accessories in India**

### Profile

A part of Triton Group, Triton Valves was established in 1975 by a visionary founder Late M. V. Gokarn and is headquartered in Bengaluru, India. We ensure world-class manufacturing standards with ISO/TS 16949:2009, ISO 14001:2004 and BS OHSAS 18001:2007 certified manufacturing facilities. Equipped with automatic lines for valve stems, rubber moulding and assemblies enabling, these facilities operate at high productivity levels and enable just-in-time deliveries to customers. Presence of robust testing facilities and laboratories further ensure world-class quality standards and thus high customer satisfaction. We are listed on the BSE Ltd.



### Our Vision

To set global benchmarks of excellence in every aspect of business.



### Our Mission

We do not just manufacture tyre valves. Our greater cause is safety in the movement of people and goods in India.



### Our Values

#### People

We have journeyed many a mile on the rough road to success. But we have raced past every edge and breakthrough, riding on the supreme strength of our people. As the most important force of our business, we have always undertaken to respect and empower them and bring out the best in each of them.

#### Craftsmanship

The essence of craftsmanship is at the heart of all that we do and remains our Number One priority. Paying consideration to the smallest details and being precise and meticulous in daily activities is what transforms our valves and cores into precision crafted products.

#### Excellence

We have an instinctive desire to excel, however small or big the task might be. Always on the route of newer frontlines 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 enthusiasm on our hearts. 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

We do not endeavor to merely satisfy our customers. It is the success of our customers that we meticulously look to achieve. We truly believe that our customers' success is our success.

#### Ethics

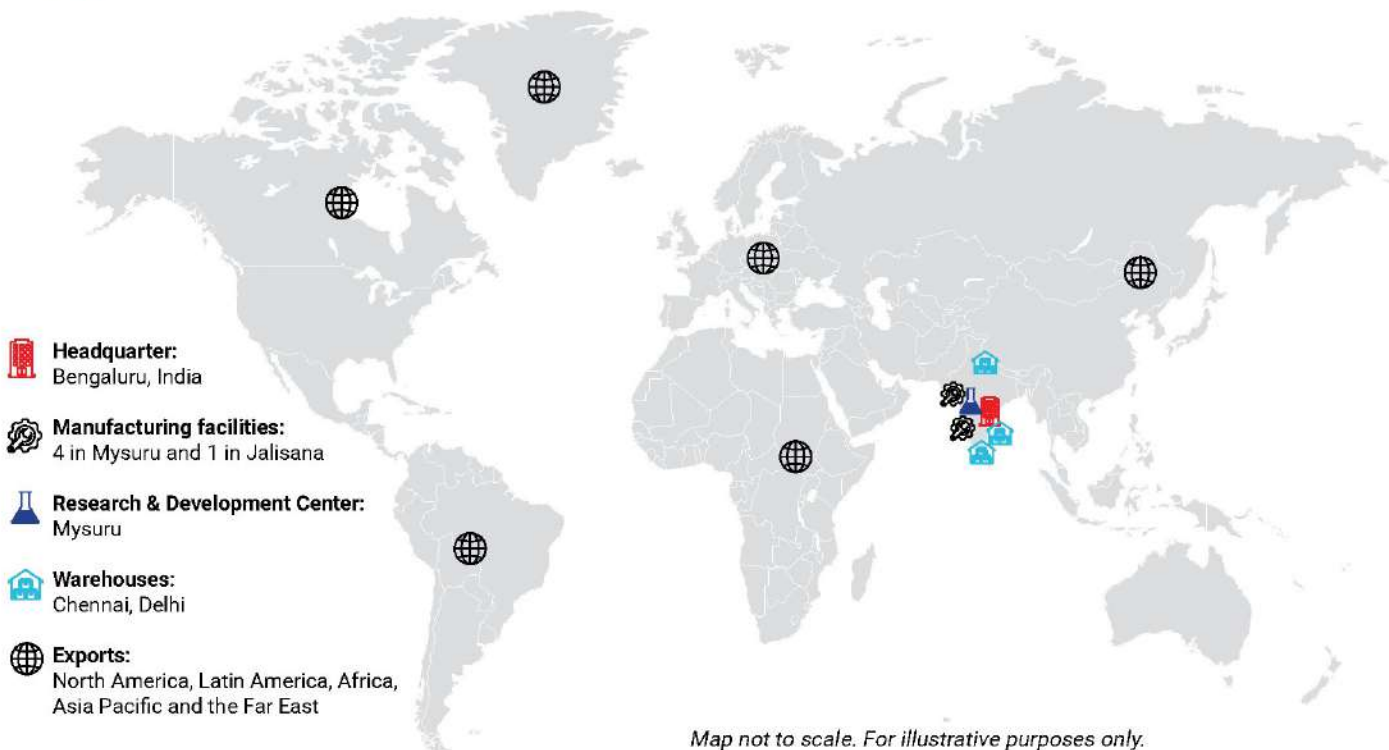
At Triton, unbending ethics is entrenched in our DNA. We are committed to being transparent, fair, and honest. We work with the highest level of integrity with respect to people, environment, and the society at large.

#### Joy of Life

The smile on a customer's face, the pleasure of solving a problem and the absolute joy of success. At the end of the day, this is what gives us supreme satisfaction. We enjoy what we do and that is why we go to work. We endeavor to build the ecosystem "Triton", based on this Joy of Life.



### Global Presence



Map not to scale. For illustrative purposes only.



# The Triton Group Operating Structure: Built for the Next Level

Triton Group comprises four companies. Triton Valves Ltd. is the holding company while TritonValves FutureTech Pvt. Ltd., TritonValves Climatech Pvt. Ltd. and TritonValves Hongkong Ltd. are wholly-owned subsidiaries. The Group is structured to unlock value for customers and stakeholders by creating focus on each business while utilizing the deep engineering expertise and competencies of the holding company to expand into new and futuristic business domains.

	<b>Triton Valves (Holding Company)</b> <ul style="list-style-type: none"> <li>▶ Headquarters - Bengaluru</li> <li>▶ Manufacturing Facilities - Mysuru</li> <li>▶ R&amp;D Center - Mysuru</li> <li>▶ India's largest manufacturer of automotive tyre valves and valve cores</li> </ul>	<b>Products</b> <ul style="list-style-type: none"> <li>▶ Valve for tubes</li> <li>▶ Tubeless valves and valves for TPMS</li> <li>▶ Valve cores</li> <li>▶ Aircondition valves</li> <li>▶ Industrial and home air conditioner valves</li> <li>▶ Components &amp; valves for CTIS</li> <li>▶ Automotive charging valves</li> <li>▶ Accessories</li> <li>▶ Service products &amp; tools</li> </ul>
	<b>TritonValves FutureTech</b> <ul style="list-style-type: none"> <li>▶ Headquarters - Bengaluru</li> <li>▶ Manufacturing Facilities - Mysuru</li> <li>▶ A technology platform for material science</li> <li>▶ Engages in the manufacture of a wide range of brass solids in various forms, sizes and tempers</li> </ul>	<b>Products</b> <ul style="list-style-type: none"> <li>▶ Range of brass solids – Free machining, hot and cold forging, grades of high tensile, super high machining, naval, dezincification resistance and lead free</li> <li>▶ High grade brass for special applications</li> <li>▶ Bronzes</li> <li>▶ Special copper alloys</li> </ul>
	<b>TritonValves Climatech</b> <ul style="list-style-type: none"> <li>▶ Headquarters - Bengaluru</li> <li>▶ Manufacturing Facilities - Mysuru</li> <li>▶ Manufacturer of service / charging valves for HVAC industry</li> </ul>	<b>Products</b> <ul style="list-style-type: none"> <li>▶ Service Valves for residential and industrial HVAC &amp; R</li> <li>▶ Ball Valves for industrial and commercial HVAC</li> <li>▶ Evaporator Valves for industrial and commercial HVAC</li> <li>▶ Access Valves for industrial HVAC &amp; R</li> </ul>



**Industries Served** **Factory**

- ▶ Automotive
- ▶ Truck and Bus Wheels
- ▶ Automotive Air-conditioning
- ▶ Tyre Pressure Monitoring
- ▶ Industrial and Home Air-conditioning
- ▶ Electric Vehicles
- ▶ Aerospace and Defense
- ▶ Mining and Construction



**Industries Served** **Factory**

- ▶ Automobile
- ▶ Consumer durables
- ▶ Aerospace and Defense
- ▶ Air-conditioning
- ▶ Engineering and Industrial products
- ▶ Electrical components



**Industries Served** **Factory**

- ▶ Industrial and Home Air-conditioning
- ▶ Automotive Air-conditioning



# Message from the Chairman



Over the years, we have considerably improved our customer profile. We are today a preferred supplier to leading tier I automobile companies as well as air-conditioning, defense and aerospace companies.



The FY 2020-21 has been an unprecedented year. The COVID-19 pandemic has created a disruption of global magnitude, causing socio-economic crisis like never. A weak macro scenario in India was further impacted by pandemic and lockdowns, resulting in consumer spending largely limited to essential items. The automobile industry which is our key market bottomed during the year. It was already facing turbulences led by evolution towards optimising fuel consumption and reducing pollution, and the pandemic further weakened the demand.

While the challenges were many, I am happy to state that Triton Valves stood the test of time and delivered a solid performance. It is times like this that reinforce the strength of our business model and the reputation that our business has attained as a global supplier of precision engineered valves and accessories.

There were quite a few things we have done right in these times. The first and foremost being utilizing the lockdown, when plants were shutdown, as an opportunity to make our business leaner, reducing various costs and improving operational efficiencies. We maintained sharp focus on all receivables and cash flows. These helped improve profitability and ensured cash flows.

We also ensured that investments in newly seeded subsidiaries continued and successfully operationalized them during the year. These businesses are an important part of our growth strategy and will help us expand our product basket. TritonValves FutureTech will act as our technology platform for material science. Engaged in manufacturing diverse range of brass solids, it will explore new product opportunities in automobile, consumer durables, defense and aerospace in line with the industry's changing requirements. TritonValves Climatech, on the other hand, will explore product opportunities in air-conditioning and climate control systems and will be a single source of diverse such products for residential, commercial and industrial applications.





43.2%	5.9%	7.4%
PAT	EBITDA	Revenue

### Performance review

Coming to the performance, we delivered growth across all parameters. On a consolidated basis, total revenues increased 7.4% to ₹ 229.62 Crores in FY 2020-21. Net Revenue increased by 3.42% to ₹ 181.26 Crores during FY 2020-21 compared to ₹ 175.27 Crores during FY 2019-20. EBITDA grew 5.9% to ₹ 24.86 Crores and PAT grew 43.2% to ₹ 7.80 Crores. The sharp growth in bottomline was a result of decline in finance costs and reversal of excess taxation of the previous year. I am happy to state that our performance was impressive on both domestic and international markets as we continue to make inroads in both these markets.

Led by the strong performance, the Board has recommended a dividend of 200%, i.e. ₹ 20 per equity share of face value of ₹ 10.

### The Next Level

Over the years, we have considerably improved our customer profile. We are today a preferred supplier to leading tier I automobile companies as well as air-conditioning, defense and aerospace companies. We now look forward to build on these relationships and support customers in their value-addition journey by introducing new line of products through our subsidiaries. The focus is more on the automobile industry where the vehicles are evolving towards e-mobility. We also look forward to enhancing the mix towards value-added products to drive profitability and enhance position in the customer's value chain.

### Sustainable progress

Sustainable development has always been an important aspect of our growth. Our manufacturing facilities are already equipped with automation system which are enabling higher productivity alongside the safety of our people. We are also contributing towards a better world with our quality products that are facilitating improved safety performance and efficiency in vehicles, trucks, aircraft and air-conditioners among others.

### Moving forward

We have successfully built a robust organization with solid portfolio and strong financials. Moving forward, our intent is to graduate to the next level with unwavering focus on R&D to widen portfolio for global and domestic customers as well as for aftermarket. With our capabilities, disciplined management and strong governance, I am confident that we shall gain market share and create value for all the stakeholders.

I thank all our stakeholders for their continued support to us. The shareholders who have trusted us with their funds, the customers who continued doing business with us and the supply chain who have enabled us to ensure business continuity. Last but not the least, I thank the employees who have risen to the challenge and helped deliver resilient performance.

Thank You,  
**S. K. Welling**  
 Chairman



## Board of Directors



**Mr. S. K. Welling**  
*Chairman*

Mr. Welling holds a Bachelor's degree in Mechanical Engineering from Karnataka University and holds a Master's degree in Business Administration (MBA) from the University of Leeds, UK. He was the former Executive Director of HMT Ltd. He has rich and wide industrial experience of over 36 years across strategic planning, corporate restructuring, industrial engineering, project management, technology management, international marketing and human resources management.



**Mr. Aditya M Gokarn**  
*Managing Director*

Mr. Gokarn holds a Bachelor's degree in Mechanical Engineering from RV College of Engineering, Bengaluru and a Certificate of Business Excellence from the University of California Berkeley. He has varied experience in business development, project execution and new product development. He has been instrumental in executing the capacity expansion and technology upgradation programs of the Company over the last 11 years.



**Mrs. Anuradha M Gokarn**  
*Non-Executive Director*

Mrs. Gokarn holds an M. Phil. degree in English Literature from the University of London. She was the Managing Director of the Company for 26 years (1986 to 2012), during which she successfully steered it to a market leadership position and built a strong foundation on which the Company continues to grow.



**Dr. B R Pai**  
*Independent Non-Executive Director*

Dr. Pai is a B. Tech from IIT Madras, an M. Sc in Engineering, a Ph. D. and a Diploma holder from Imperial College, London. He retired as Director of NAL in 2004. An expert in the field of combustion, heat transfer, air breathing propulsion systems and computational fluid dynamics, he has several patents and over a hundred papers and publications to his credit.



**Mr. Tamhant Jain**  
*Independent Non-Executive Director*

Mr. Jain is a B. Tech from IIT Kanpur and an MBA with Distinction from Harvard Business School. He had a distinguished academic record at IIT having received the Director's Letter of Recognition for Research Excellence, the Dean's Merit Scholarship and the Certificate of Merit for Academic Excellence. He is the co-founder of Northwest Executive Education which provides executive education in leadership and management in collaboration with globally renowned international institutions like Chicago Booth, Yale, and Berkeley.



**Mr. Prashanth Nayak**  
*Independent Non-Executive Director*

Mr. Nayak is a graduate from the National Institute of Technology, Karnataka, a Bachelor in Electronics and Communication and an MBA from the Indian Institute of Management, Kolkata. He is the Managing Director of Yazaki India. Prior to this, he was the CEO of Jai Group, a strategy consulting firm focusing on BRICS economies and specifically on the India Brazil corridor. Earlier, he had joined Tata Administrative Service (TAS) in 1995 and served in the Tata Group for 14 years.

# Corporate Information

## KEY MANAGERIAL PERSONNEL

Aditya M Gokarn, Managing Director  
Srikanth Shenoy, Chief Financial Officer  
Swathishree K R, Company Secretary

## STATUTORY AUDITORS

Deloitte Haskins & Sells LLP  
Prestige Trade Tower, Level 19,  
46, Palace Road, High Grounds,  
Bengaluru - 560 001

## INTERNAL AUDITORS

Sudit K Parekh & Co.  
312/313 Barton Centre,  
Mahatma Gandhi Road,  
Bengaluru - 560 001

## REGISTERED OFFICE

Sunrise Chambers  
22, Ulsoor Road, Bengaluru - 560 042  
P: +91 80 25588965/66  
F: +91 80 25586483  
W: www.tritonvalves.com  
E: investors@tritonvalves.com  
CIN: L25119KA1975PLC002867  
Ecomm Portal: www.tritonvalves.in

## MANUFACTURING LOCATIONS

**Mysuru**  
Mercara Road,  
Belavadi  
Mysuru - 570 018

**Gujarat**  
DDB Logistics LLP (3T Logistics)  
Survey No. 21, State Highway 07,  
Viramgam-Becharaji Road,  
Village Jalisana  
Gujarat - 382 130

## SECRETARIAL AUDITOR

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

## BANKERS

HDFC Bank Limited  
DBS Bank  
Kotak Mahindra Bank  
Yes Bank  
HSBC Ltd.  
The Federal Bank Ltd

## SHARE TRANSFER AGENT

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

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**STATUTORY  
REPORTS AND  
FINANCIAL  
STATEMENTS**



# Board's Report

To the Members of  
Triton Valves Limited

Your Directors take pleasure in presenting the 45th Annual Accounts on the business and operations of your Company, along with the summary of standalone and consolidated financial statements for the year ended 31st March 2021. The economic contraction in the first half of Financial Year (FY) 2020-21 was very challenging due to COVID – 19 lockdown. The Company has witnessed a gradual recovery with the domestic demand back to pre-COVID levels. The financial highlights of the Company for FY 2020-21 are furnished below:

## Financial Highlights

### 1. PERFORMANCE HIGHLIGHTS

(₹ in Lakhs)

	FY 2020-21		FY 2019-20	
	Consolidated	Standalone	Consolidated	Standalone
Total Income	23,160.04	23,614.93	21,480.29	21,459.74
Interest & Financial Charges	427.91	352.74	473.66	433.42
Depreciation, Amortization Expenses	1,086.95	1,038.06	1,135.80	1,135.81
<b>Profit Before tax</b>	<b>971.08</b>	<b>1,101.20</b>	<b>737.47</b>	<b>718.68</b>
Tax expense	190.90	182.18	192.60	191.21
<b>Profit After Tax</b>	<b>780.18</b>	<b>919.02</b>	<b>544.87</b>	<b>527.47</b>
Other Comprehensive Income (Net of Taxes)	22.15	23.32	(26.38)	(27.26)
<b>Total Comprehensive Income</b>	<b>802.33</b>	<b>942.34</b>	<b>518.51</b>	<b>500.21</b>

### 2. OVERVIEW OF THE FINANCIAL PERFORMANCE

The financial performance highlights for the year ended 31st March 2021, are as follows:

On a Standalone basis, the Company has registered a total income of Rs.23,614.93 Lakhs as compared to Rs. 21,459.74 Lakhs of previous year. Standalone Profit after Tax for the year under review amounted to Rs.919.02 Lakhs as compared to Rs. 527.47 Lakhs in the previous Financial Year.

On a Consolidated basis, the Company has registered a total income of Rs.23,160.04 Lakhs as compared to Rs. 21,480.29 Lakhs of previous year. Consolidated Profit after Tax for the year under review amounted to Rs.780.18 Lakhs as compared to Rs. 544.87 Lakhs in the previous Financial Year. This was mainly due to higher demand in the tyre segment.

### 3. DIVIDEND

Your Company has a consistent track record of dividend payment. The Directors are pleased to recommend a

dividend of 200% (Two Hundred percent) i. e., Rs. 20/- (Twenty Rupees Only) per equity share face value of Rs.10/- each for the financial year ended 31st March 2021, for your approval. The dividend, if approved, shall be payable to the Members holding shares as on cut-off date i.e. Monday 20<sup>th</sup> Sept., 2021.

### 4. CREDIT RATING

The Company's financial discipline and prudence are reflected in strong credit rating ascribed by CRISIL as under:

Long-Term Rating	CRISIL BBB+/Stable (Reaffirmed)
Short-Term Rating	CRISIL A2 (Reaffirmed)

### 5. RESERVES

The Reserves of the Company increased by 10.5% to Rs. 8,460.57 Lakhs as against Rs.7,658.23 Lakhs in the previous year. The Board of Directors do not propose to transfer any part of the Profits to reserves during the current year.

## 6. PROSPECTS FOR THE FINANCIAL YEAR 2021-22

Your Company's prospects are directly linked to those of the automobile and tyre industries. The automobile and tyre industries are expected to be muted during the current year. However, your Company is working on de-risking the product portfolio through diversification. Further your Company is working on the export market apart from other cost saving initiatives.

## 7. COVID-19 AND ITS IMPACT

The COVID-19 pandemic led to unprecedented socioeconomic disruption worldwide. The nation-wide stringent lockdown imposed from 25th March 2020 brought economic activities to a standstill. During the first quarter of the Financial Year, your Company had to temporarily suspend operations at its plants and warehouses as per the directives of the Government, keeping the safety of employees as paramount.

The Company's operations were hit substantially from 25th March 2020. The Registered office in Bangalore and the factory in Mysore were fully shut down from the said date. The Company's operations were further affected during the second wave in April and May due to unavailability of oxygen. Fear of COVID-19 also resulted in absenteeism, which further impacted the first quarter performance. In spite of tightening of liquidity during the year your Company has been able to meet its long term and short term working capital requirements.

## 8. MATERIAL CHANGES AND COMMITMENTS

Except the impact of COVID-19 as mentioned in this report, no material changes and commitments affecting the financial position of your Company have occurred between, the end of the Financial Year of the Company to which the financial statements relate and the date of this report.

## 9. SIGNIFICANT MATERIAL ORDERS PASSED BY REGULATORS

No significant material orders have been passed during the year under review by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

## 10. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of your Company, during the year under review.

## 11. DEPOSITS

During the year under review, your Company has neither accepted nor renewed any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## 12. SUBSIDIARIES/ASSOCIATES/JOINT VENTURES

The consolidated financial statements presented by the Company includes financial results of its Subsidiary Companies. The Company does not have any Associate or Joint Venture Companies.

	SUBSIDIARIES			
	Triton Valves Hong Kong Limited (Amt. in USD)		TritonValves Future Tech Private Limited (Amt. in Lakhs)	TritonValves Climatech Private Limited (Amt. in Lakhs)
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2020-21
Total Income	88,13,730.03	6,720,505.16	690.84	16.06
Total Expenditure	8,772,125.10	6,692,366.38	731.07	51.08
Depreciation, Amortization Expenses	-	-	38.71	10.94
Profit/Loss Before tax	41,604.93	28,138.78	(40.23)	(35.02)
Tax expense	6,864.73	2,317.54	6.77	(3.22)
Profit/Loss After Tax	34,740.20	25,821.24	(46.99)	(31.80)
Other Comprehensive Income (Net of Taxes)	-	-	(46.99)	(31.80)
Total Comprehensive Income	34,740.20	34,740.20	(46.99)	(31.80)



A statement containing the salient features of the Financial Statement of Subsidiary Companies in the prescribed format AOC-1 is annexed herewith as Annexure I to this Report. The statement also provides the details of performance and financial position of the Subsidiary Companies.

### 13. CONSOLIDATED FINANCIAL STATEMENTS:

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to the requirement of Regulation 33 & Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred as Listing Regulations) read with other applicable provisions and prepared in accordance with applicable IND AS, for Financial Year ended 31st March 2021.

### 14. CORPORATE GOVERNANCE REPORT

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The report on Corporate Governance under Regulation 34 of the SEBI Listing Regulations read with Schedule V of the said Regulations, forms an integral part of the Annual Report. The requisite certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of the Corporate Governance is attached to the Report on Corporate Governance.

### 15. MANAGEMENT DISCUSSION AND ANALYSIS

In terms of Regulation 34 (2) (e) of the Listing Regulations, 2015 read with other applicable provisions, the detailed review of the operations, performance and future outlook of the Company and its business is given in the Management's Discussion and Analysis Report (MD&A) which forms part of this Annual Report and is incorporated herein by reference and forms an integral part of this report.

### 16. BOARD OF DIRECTORS

#### A. Appointment/ Re-appointment of Directors

In accordance with the provisions of Section 152 of the Act and the Articles of Association, Mrs. Anuradha M. Gokarn (DIN: 00185509), Non-Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment. The Board recommends her re-appointment.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and hold highest standards of integrity.

None of the aforesaid Directors are disqualified under Section 164(2) of the Companies Act, 2013. Further, they are not debarred from holding the office of Director pursuant to order of SEBI or any other authority.

#### B. Changes in Directors and Key Managerial Personnel

During the year under review and between the end of the financial year and on the date of this report, except the aforementioned Appointments/ Re-appointments of Directors, there are no other change in Directors and Key Managerial Personnel of the Company.

Key Managerial Personnel (KMP)

In terms of Section 203 of the Act, the following are the Key Managerial Personnel of the Company:

- Mr. Aditya Maruti Gokarn - Managing Director
- Mr. Srikanth Shenoy - CFO
- Ms. Swathishree K R - Company Secretary

#### C. Declaration by Independent Directors

In terms with Section 149 (7) of the Companies Act, 2013, Independent Directors of the Company have submitted declarations that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and also Regulation 16(l) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have also complied with the Code for Independent Directors as per Schedule IV of the Companies Act, 2013. All our Independent Directors are registered on the Independent Directors Databank.

#### D. Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board is required to carry out annual evaluation of its own performance and that of its Committees and individual Directors. The Nomination and Remuneration Committee (NRC) of the Board also carries out evaluation of every Director's performance. Accordingly, the Board and NRC of your Company have carried out the performance evaluation during the year under review. For annual performance evaluation of the Board as a whole, its Committee(s) and individual Directors including the Chairman of the Board, the Company has formulated a questionnaire to assist in evaluation of the performance. Every Director has to fill the questionnaire related to the performance of the Board, its Committees and individual Directors



except himself by rating the performance on each question on the scale of 1 to 5, 1 being Unacceptable and 5 being Exceptionally Good. On the basis of the response to the questionnaire, a matrix reflecting the ratings was formulated and placed before the Board for formal annual evaluation by the Board of its own performance and that of its Committees and individual Directors. The Board was satisfied with the evaluation results.

#### **E. Separate Meeting of Independent Directors**

In terms of requirements under Schedule IV of the Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on 24<sup>th</sup> March 2021.

The Independent Directors at the meeting, inter alia, reviewed the following:-

- Performance of Non- Independent Directors and Board as a whole.
- Performance of the Chairman of the Company, taking into account the views of Executive Directors and Non- Executive Directors.
- Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **F. Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee, laid down a Nomination & Remuneration Policy for selection and appointment of the Directors, Key Managerial Personnel and Senior Management and their remuneration. The extract of the Nomination and Remuneration Policy covering the salient features are provided in the Corporate Governance Report forming part of Board's Report. The Nomination & Remuneration Policy of the Company is available on the website of the Company and the web link is: <https://www.tritonvalves.com/investors/>.

#### **G. Code of Conduct for Directors and Senior Management**

The Company has formulated a Code of Conduct for Directors and Senior Management Personnel and has complied with all the requirements mentioned in the aforesaid code. For further details, please refer the Corporate Governance Report.

### **17. DIRECTORS' RESPONSIBILITY STATEMENT**

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, the work performed by the Internal Auditors, Statutory Auditors and Secretarial Auditors, including the Audit of Internal Financial Controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2020-21.

Accordingly, pursuant to Sections 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- i. in the preparation of the annual accounts for the Financial Year ended 31st March 2021, 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 for the Financial Year ended 31st March 2021 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 had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **18. AUDITORS**

M/s. Deloitte Haskins & Sells LLP having ICAI Firm Reg. No. 117366W/W-100018 are the Statutory Auditors of the Company for the Financial year ended 31st March 2021 and their appointment will continue until the conclusion of the 46th Annual General Meeting to be held in the year 2022. The requirement of seeking ratification of



the members for continuance of their appointment has been withdrawn consequent upon the changes made by the Companies (Amendment) Act, 2017 with effect from 07th May 2018.

## 19. AUDITORS' REPORT

The report given by M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors on financial statements of the Company for FY21 is part of the Annual Report. The comments on statement of accounts referred to in the report of the Auditors are self-explanatory. The Auditors' Report does not contain any qualification, reservation or adverse remark.

During the year under review, the Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013. Therefore, no detail is required to be disclosed under Section 134 (3)(ca) of the Companies Act, 2013.

## 20. COST AUDIT

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Board of Directors, on the recommendation of the Audit Committee, has appointed Messrs Rao, Murthy and Associates, Cost Accountants, (Firm Registration No. 000065) as Cost Auditor of the Company, for the financial year ended 31st March 2021 on a remuneration as mentioned in the Notice convening the 45th Annual General Meeting, for conducting the audit of the cost records maintained by the Company. A resolution seeking Members' approval for remuneration payable to Cost Auditor forms part of the Notice of the 45th Annual General Meeting of the Company and same is recommended for your consideration.

Cost Audit Report for the year 31st March 2020 were filed with the Registrar of Companies, within the prescribed time limit.

The Company is required to maintain Cost Records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013. Accordingly, the Company has made and maintained such accounts and records.

## 21. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed Mr. Parameshwar G Bhat, Practicing Company Secretary, to conduct Secretarial Audit for the financial year ended on 31st March 2021.

Secretarial Audit Report issued by Mr. Parameshwar G Bhat, Company Secretary in Form MR-3 forms part to this report Annexure II.

Explanations by the Board on the comments of Secretarial Auditors:

Sl. No.	Qualifications made by the Secretarial Auditor	Explanations by the Board
a.	Delayed filing of Annual Reports in XBRL mode	The Company has submitted the said Report in time for this year and will ensure to submit all the reports within prescribed timelines in future.
b.	The Listed Entity has not obtained disclosure from Promoters under the Regulation 31(1) (4) of SEBI (Substantial Acquisition of Shares and Takeovers) and subsequently not communicated to Stock Exchange.	The Company will ensure to obtain the disclosures from the promoter under the said regulation.
c.	Structured Digital Database (SDD) with the required details as mentioned in sub-regulation 5 of Regulation 3 of SEBI (Prohibition of Insider Trading) Regulations, 2015.	The Company will ensure to maintain the details as per Structured Digital Database (SDD) pursuant to the said regulation.

## 22. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

### A. Board Meetings

The Board of Directors met Six (6) times during the year ended 31st March 2021 in accordance with the provisions of the Companies Act, 2013 and rules made there under. The details thereof are given in the Corporate Governance Report.

Pursuant to the requirements of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company was also held on 29th March 2021, without the presence of Non-Independent Directors and members of the management, to review the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the Company,



taking into account the views of Executive Directors, Non-Executive Non-Independent Directors and also to assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

#### B. 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.

#### C. Board Performance Evaluation

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees, based on the evaluation criteria defined by Nomination and Remuneration Committee (NRC) for performance evaluation process of the Board, its Committees and Directors.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as the composition of committees, effectiveness of Committee meetings, etc.

The performance assessment of Non-Independent Directors, Board as a whole and the Chairman were evaluated at a separate meeting of Independent Directors. The same was also discussed in the meetings of NRC and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

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 the same is available on the Company's website at [https://www.tritonvalves.com/downloads/policy/Policy\\_for\\_evaluation\\_of\\_performance\\_of\\_Board](https://www.tritonvalves.com/downloads/policy/Policy_for_evaluation_of_performance_of_Board).

#### D. 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 III to this Report and the same is available on the Company's website at [www.tritonvalves.com](http://www.tritonvalves.com).

### 23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in Schedule 37 of the Notes to the Financial Statements.

### 24. RELATED PARTY TRANSACTIONS

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, as prescribed in Form AOC - 2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013, is appended in Annexure IV to this report.

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](http://www.tritonvalves.com).

### 25. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING / OUTGO

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure - V to this report.



## 26. RISK MANAGEMENT POLICY

In compliance with the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Risk Management Committee has been constituted by the Board. However, provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to Company.

Risk Assessment is done by the Senior Management team and documented in the Risk Register. Action is taken based on the possible impact of the identified risk.

## 27. SECRETARIAL COMPLIANCE CERTIFICATE

SEBI (LODR) (Amendment) Regulations, 2018 required the Company to obtain a 'Secretarial Compliance Certificate' in the prescribed format from a practicing Company Secretary which has been obtained and filed with the Stock Exchange.

## 28. 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 behavior, 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](http://www.tritonvalves.com).

## 29. ANNUAL RETURN

As required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 read with Companies (Amendment) Act, 2020, an Annual Return in MGT-7 is placed in the website of the Company at <http://www.tritonvalves.com/investors/>

## 30. SHARE CAPITAL

The Board provides following disclosures pertaining to the Companies (Share Capital and Debentures) Rules, 2014.

Sl. No.	Particulars	Disclosure
1.	Issue of Equity shares with differential rights	Nil
2.	Issue of Sweat Equity shares	Nil
3.	Issue of employee stock option	Nil
4.	Provision of money by company for purchase of its own shares by trustees for the benefit of employees	Nil

The Authorized Share Capital of the Company is Rs. 5,00,00,000/- consisting of 50,00,000 Equity Shares of Rs.10/- each and paid up equity share capital of the

Company is Rs. 1,03,00,270/- consisting of 10,30,027 equity shares of Rs. 10/- each as on 31st March 2021.

## 31. EMPLOYEE RELATIONS

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

## 32. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The prescribed particulars of Employees required under 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 annexed herewith as Annexure VII to this Report.

## 33. 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.

As required under law, an Internal Complaints Committee has been constituted for reporting and conducting inquiry into the complaints made by the victim on the harassments at the workplace.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 34. 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 Organization 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.

During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

Internal Auditors' comprising of professional Chartered Accountants monitor & evaluate the efficacy of Internal Financial Control systems in the Company, its compliance with operating system, accounting procedures & policies at all the locations of the Company. Based on their report of Internal Audit function, corrective actions in the respective areas are undertaken & controls are strengthened. Significant audit observations and corrective actions suggested are presented to the Audit Committee.

### 35. 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](http://www.tritonvalves.com). The Annual report on the CSR activities is appended as Annexure VIII to the Board's Report.

### 36. COMPLIANCE WITH THE APPLICABLE SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

### 37. REPORTING OF FRAUD

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. Further, no case of Fraud has been reported to the Management from any other sources.

### 38. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

This is not applicable to your Company.

### 39. REVISION OF FINANCIAL STATEMENT OR THE REPORT

As per the Secretarial Standards-4 in case the Company has revised its financial statements or the Report in respect of any of the three preceding financial years either voluntarily or pursuant to the order of a judicial authority, the detailed reasons for such revision, shall be disclosed in the Report for that year, as well as in the Report of the relevant financial year in which such revision is made.

There is no revision of Financial Statements of the Company.

### 40. ACKNOWLEDGEMENTS

The Board of Directors wishes to express its gratitude and record its sincere appreciation for the commitment and dedicated efforts put in by all the employees. Your Directors take this opportunity to express their grateful appreciation for the encouragement, cooperation and support received by the Company from the local authorities, bankers, customers, suppliers and business associates. The Directors are thankful to the esteemed shareholders for their continued support and the confidence reposed in the Company and its management.

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

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

Place: Bengaluru  
Date: June 17, 2021

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



## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

## Part "A": Wholly Owned Subsidiaries

Sl. No.	Particulars	Details		
1	Name of the subsidiary	Triton Valves Hong Kong Limited	TritonValves Climatech Private Limited	TritonValves Future Tech Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01 April, 2020 to 31 March, 2021	01 April, 2020 to 31 March, 2021	01 April, 2020 to 31 March, 2021
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	US\$ (1USD = 74.22)	INR (In lakhs)	INR (In Lakhs)
4	Share capital	10,000.00	1.00	1.00
5	Reserves & surplus	60,561.44	-	-
6	Total assets	2,954,601.70	1,045.37	4,434.88
7	Total Liabilities	2,884,040.25	1,047.90	4,420.54
8	Investments	-	-	-
9	Turnover & other income	8,813,730.03	16.06	690.84
10	Profit /(Loss) before taxation	41,604.93	(35.02)	(40.23)
11	Tax Expense	6,864.73	(3.22)	6.77
12	Other comprehensive income for the period	-	-	-
13	<b>Profit /(Loss) after taxation</b>	<b>34,740.20</b>	<b>(31.80)</b>	<b>(46.99)</b>
14	Proposed Dividend	-	-	-
15	% of shareholding	100%	100%	100%

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations - NA
- Names of subsidiaries which have been liquidated or sold during the year – NA

For and on behalf of the Board of Directors

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

Place: Bengaluru  
Date: June 17, 2021



**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2021**

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

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 31.03.2021 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 31.03.2021 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) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
  - (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (i) Circulars/Guidelines issued thereunder
- (vi) The Industry specific laws applicable to the Company are as follows:
  - The Information Technology Act, 2000
  - The Special Economic Zone Act, 2005
  - Policy relating to Software Technology Parks of India and its regulations
  - The Indian Copyright Act, 1957
  - The Patents Act, 1970
  - The Trade Marks Act, 1999

vii) The other general laws as may be applicable to the Company including the following:

- Karnataka Shops & Commercial Establishment Act & Rules
- The ESI Act & General Regulations
- The Employees Provident Funds & Miscellaneous Provisions Act
- The Minimum Wages Act & Rules
- The Payment of Wages Act & Rules
- The Payment of Gratuity Act & Rule
- The Payment of Bonus Act & Rules
- The Maternity Benefit Act
- The Equal Remuneration Act
- The Employment Exchanges (CNV) Act & Rules
- The Karnataka Labour Welfare Fund Act & Rules
- Industrial Employment Standing Orders Act
- The Karnataka (National & Festival) Holidays Act & Rules
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act.
- For majority of Central Labour Laws, the States have introduced Rules [names of each of the Rules is not included here]
- The Competition Act, 2002
- The Indian Contract Act, 1872
- The Sales of Goods Act, 1930
- The Indian Stamp Act, 1899
- 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 as per the details and documents provided before me, the Company has already taken steps towards installing a Structured Digital Database (SDD) in software format with the required details as prescribed in Regulation 3(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and represented that there is a robust prevailing system for tracking of sharing the Un-published Price Sensitive Information (UPSI).

Certain non-material findings made during the course of the audit were addressed suitably by the Management. Following observations have been brought before the Shareholders which are treated as material in nature:

- a. Certain disclosures were not included in the Annual Report for the FY 2019-20.
- b. Compliances on Secretarial Standards relating Board and Committee Meetings need to be strengthened
- c. The PIT disclosures are not as per the format given under Code of Conduct.
- d. Certain ROC filings and Stock Exchange intimations were submitted beyond prescribed time.

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.

The Company had allotted the Equity Shares to one of the Promoters of the Company on the preferential basis during the Financial Year 2019-20. Further, the Company has obtained the trading and listing approval during the period under review.



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.

I further report that I could not physically verify documents/registers/returns due to Lockdown situation in relation to outbreak of Pandemic Covid-19 and I have relied up on the soft copies/information shared with me.

Place: Bangalore  
Date: June 17, 2021

**Parameshwar G. Bhat**  
FCS No.: 8860  
C P No.: 11004  
UDIN: F008860C000480947

**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, Customs Act, Goods and Service Tax Act.
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc. as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore  
Date: June 17, 2021

**Parameshwar G. Bhat**  
FCS No.: 8860  
C P No.: 11004  
UDIN: F008860C000480947



## NOMINATION AND REMUNERATION POLICY

### 1. INTRODUCTION

In pursuance of the Company's intent to consider its people as invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and Senior Management Personnel of the Company, to harmonize the aspirations of its people consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulation, 2015 (as amended from time to time), this Policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) has been formulated by the Nomination and Remuneration Committee ("NRC") and approved by the Board of Directors of the Company.

### 2. OBJECTIVES OF THIS POLICY

This Policy is framed with the following objectives.

- 2.1 **Selection** - To define criteria and terms and conditions with regard to identifying and selecting persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed as Key Managerial Personnel (KMP) and Senior Management Personnel (SMP).
- 2.2 **Remuneration** – To determine the level and structure of the remuneration to Directors, Key Managerial Personnel and Senior Management Personnel of the Company.
- 2.3 **Performance Evaluation** – To evaluate after duly fixing the appropriate criteria for evaluating the performance of Directors, Key Managerial Personnel and Senior Management Personnel of the Company.
- 2.4 **Learning** – To facilitate the process of continual learning of Directors, Key Managerial Personnel and Senior Management Personnel of the Company in line with the changing business needs.
- 2.5 **Separation** - To define criteria for removal of Directors, Key Managerial Personnel and Senior Management Personnel if and when the need arises.

### 3. DEFINITIONS

**In this Policy unless the context otherwise requires:**

- 3.1 **"Act"** means the Companies Act, 2013 and rules there under;
- 3.2 **"Board of Directors' or 'Board'**, in relation to the Company, means the collective body of the directors of the Company;
- 3.3 **"Committee"** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board;
- 3.4 **"Company"** means Triton Valves Limited;
- 3.5 **"Directors"** means Directors of the Company;
- 3.6 **"Manager"** means an individual who, subject to the superintendence, control and direction of the Board of Directors, has the management of the whole, or substantially the whole, of the affairs of a Company, and includes a Director or any other person occupying the position of a manager, by whatever name called, whether under a contract of service or not.
- 3.7 **"Independent Director"** means a director referred to in Section 149 (6) of the Companies Act, 2013;
- 3.8 **"Key Managerial Personnel" or "KMP"** means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made there under. As per Section 203 of the Companies Act, 2013, the following are Key Managerial Personnel.
  - i. Managing Director
  - ii. Company Secretary
  - iii. Chief Financial Officer

- 3.9 **“Senior Management Personnel”** or **“SMP”** means employees of the Company who are members of its core management team excluding the Board of Directors. This shall mean the following.
- i. Chief Operating Officer
  - ii. Chief Human Resource Officer
- 3.10 **“Nomination and Remuneration Committee”** shall mean a Committee of the Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Requirements) Regulations, 2015;
- 3.11 **“Policy or This Policy”** means, Nomination and Remuneration Policy;
- 3.12 **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

#### **4. GUIDING PRINCIPLES FOR CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee will consist of three or more Non-Executive Directors, out of which at least one-half shall be Independent Director(s), provided that chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee.

The Committee will meet at such intervals as it 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 employees, senior officials and external persons as it deems fit. The Company Secretary shall act as the Secretary to the Committee.

#### **5. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

##### **5.1 Appointment criteria and qualifications**

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or SMP and recommend to the Board his or her appointment.
- ii. A person should possess the adequate qualifications, expertise and experience for the position to which he or she is considered for appointment. The Committee has the discretion to decide whether the qualification, expertise and experience possessed by the person is sufficient or satisfactory for the concerned position.
- iii. Appointment of Independent Directors is subject to the compliance with provisions of section 149 of the Companies Act, 2013, read with Schedule IV and rules there under.
- iv. 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 proposed resolution indicating the justification for extension of appointment beyond seventy years.

##### **5.2 Term and Tenure**

###### **i. Managing Director / Whole-time Director:**

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

###### **ii. Independent Director:**

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



### 5.3 Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and SMP annually.

### 5.4 Disqualifications for appointment of directors

- a. Pursuant to section 164 of the Companies Act, 2013, a person shall not be eligible for appointment as a Director of a Company if:
  - i. He is of unsound mind and stands so declared by a competent court;
  - ii. He is an un-discharged insolvent;
  - iii. He has applied to be adjudicated as an insolvent and his application is pending;
  - iv. He has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a Director in any Company;

An order disqualifying him for appointment as a Director has been passed by a court or Tribunal and the order is in force;

He has not paid any calls in respect of any shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;

He has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or

He has not complied with sub-section (3) of section 152.

- b. No person who is or has been a Director of a Company which:
  - i. Has not filed financial statements or annual returns for any continuous period of three financial years; or
  - ii. Has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a Director of that company or appointed in other Company for a period of five years from the date on which the said Company fails to do so.

### 5.5 Removal

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

### 5.6 Retirement

Key Managerial Personnel 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 KMP or SMP in the same position or at the same remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 6. POLICY RELATING TO THE REMUNERATION AND PERQUISITES FOR WHOLE-TIME DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

- i. The remuneration/compensation/profit-linked commission etc., to the Whole-time Directors, 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 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 the Central Government, wherever required.

- ii. With regard to the remuneration of Key Managerial Personnel and Senior Management Personnel, the Committee shall ratify the recommendations of the Managing Director.
- iii. Where any insurance is taken by the Company on behalf of its Whole-Time Director, Chief Executive Officer, Chief Financial Officer, 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.

## 7. REMUNERATION OF WHOLE-TIME DIRECTORS

### i. Remuneration

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

### ii. 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.

### iii. 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.

## 8. REMUNERATION TO NON-EXECUTIVE AND INDEPENDENT DIRECTORS

Remuneration, Commission and Sitting Fees

The Non-executive Independent Directors and Non-executive Non Independent Directors of the Company shall be paid sitting fees as per the applicable Laws and Regulations and no sitting fee is paid to 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.

## 9. REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

The KMP and SMP of the Company shall be paid monthly remuneration as per the Company's HR policies. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc., shall be as per the Company's HR policies.

The Committee shall ratify the recommendations of the Managing Director in respect of any and every matter related to the remuneration, evaluation, performance linked incentives, bonus, etc., with regard to all Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) unless required under relevant regulations, to refer the same to the Board of Directors and / or Shareholders of the Company.

## 10. DISCLOSURES IN BOARD'S REPORT

10.1 Unless otherwise provided under the Regulations, The following disclosures shall form part of Annual Report of the Company by way of Board's report:

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.



- 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.
- iii. The percentage increase in the median remuneration of employees in the financial year.
- iv. The number of permanent employees on the rolls of Company.
- v. The explanation on the relationship between average increase in remuneration and Company performance.
- vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.
- vii. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year.
- viii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof, pointing out if there are any exceptional circumstances for increase in the managerial remuneration.
- ix. Comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company.
- x. The key parameters for any variable component of remuneration availed by the Directors.
- xi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and
- xii. Affirmation that the remuneration is as per the remuneration policy of the Company.

Explanation: For the purposes of this clause:

- i. The expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;
- ii. If there is an even number of observations, the median shall be the average of the two middle values

10.2 Unless otherwise provided under the Regulations, the Board’s report shall also include a statement showing the name of every employee of the Company, who:

- i. If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees;
- ii. If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month;
- iii. If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-Time Director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

10.3 The statement referred to in sub-clause (2) shall also indicate

- i. Designation of the employee;
- ii. Remuneration received;
- iii. Nature of employment, whether contractual or otherwise;
- iv. Qualifications and experience of the employee;
- v. Date of commencement of employment;
- vi. The age of such employee;

- vii. The last employment held by such employee before joining the Company;
- viii. The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-clause (2) above; and
- ix. Whether any such employee is a relative of any Director or manager of the Company and if so, name of such Director or manager:

Provided that the particulars of employees posted and working in a country outside India, not being Directors or their relatives, drawing more than sixty lakh rupees per financial year or five lakh rupees per month, as the case may be, as may be decided by the Board, shall not be circulated to the members in the Board's report, but such particulars shall be filed with the Registrar of Companies while filing the financial statement and Board Reports.

10.4 In addition to the disclosures required under the Companies Act, 2013, the following disclosures on the remuneration of directors shall be made in the section on the corporate governance of the Annual Report:

- i. All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.
- ii. Details of fixed component and performance linked incentives, along with the performance criteria
- iii. Service contracts, notice period, severance fees.
- iv. Stock option details, if any – And whether issued at a discount as well as the period over which accrued and over which exercisable.

10.5 The Company shall publish its criteria of making payments to Non-Executive Directors in its annual report. Alternatively, this may be put up on the Company's website and reference drawn thereto in the annual report.

10.6 The Company shall disclose the number of shares and convertible instruments held by Non- Executive Directors in the annual report. All pecuniary relationship or transactions of the Non- Executive Directors vis-à-vis the Company shall be disclosed in the Annual Report.

10.7 Non-Executive Directors shall be required to disclose their shareholding (Both own or held by / for other persons on a beneficial basis) in the listed company in which they are proposed to be appointed as Directors, prior to their appointment. These details should be disclosed in the notice to the general meeting called for appointment of such Director.

## 11. 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.

## 12. AMENDMENTS

Any or all the provisions of this policy are subject to revision/modification by the Committee, as may be required.

**\*Amended provisions as per the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.**



**Form No. AOC-2****[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

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

**1. Details of contracts or arrangements or transactions not at arm's length basis: NIL****2. Details of material contracts or arrangement or transactions at arm's length basis:**

All related party transactions are in the ordinary course of business and on arm's length basis and approved by Audit Committee of the Company. Please refer transactions reported in Note No. 37 of the Notes forming part of the standalone financial statements in the Annual Report.

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

**S.K. Welling**

Chairman

DIN: 00050943

Place: Bengaluru

Date: June 17, 2021

## ANNEXURE V

**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. Shop floor lighting standardized for LED lighting ONLY for existing and new plants at Future Tech and Climatech.
- b. Power consumption reduction of multi-spindle machines by optimizing circuits.
- c. Procurement of high efficiency motors for manufacturing machines.
- d. Hot water line connection from boiler room in place of heater coils for process center for lowering power consumption since hot water line already being utilized in neighboring machines.

**B. Technology Absorption**

- a. Research and Development (R&D)

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

- i. Development of alternate sources for chemical ingredients for rubber mixing due to challenges faced with obsolescence and risk mitigation of import.
- ii. Cleaning process trials of eco-friendly chemicals for removing brass stains, degreasing and burr removal.
- iii. Development of new product verticals such as rechargeable valves, brake sensors valve and other brass products to capture new markets.
- iv. Development and setup of mass production machines for HVAC products at Climatech plants.
- v. Testing and validation of HVAC products through helium based leak testing for customer approvals and satisfaction.
- vi. Development of TPMS valves across multiple customers requesting different configurations.
- vii. Development of double seal cap in-house which is a recent product enhancement offering per ETRTO/TR&A standards.
- viii. Development of aluminium clamp-in valves in mass production to align with increased market requirements and customer orders.
- ix. Development of mould and die designs for improved tear edge and edge trimming.
- x. Utilization of sophisticated testing equipment at Future Tech plant for monitoring the quality of the brass rods and coils.
- xi. Establishing brass chemical composition for various sizes at Future Tech to meet tire valve process requirements.

- b. Benefits derived as a result of the above R&D

The R&D activities continue to drive lowered design and process costs while ensuring quality products being developed in-house. With increased demand in aluminium valves for India and global market, focus is on development of external vendors to meet quality and high volumes while brass products remain the primary production targets. Another area of improvement is the development of dies and moulds designs for reducing moulding rejections and COPQ. New product development requiring exploration of automated machines for higher output is at the forefront of company expansion.

With introduction of Future Tech plant for manufacturing of brass, R&D and production teams are actively engaged to perform trials for various chemical composition and physical properties of the rods that benchmark current rods being supplied from external vendors. This ensures quicker realization of brass material suited for tire valve and HVAC product and process characteristics.



Climatech plants are being fast tracked to qualify every machine to meet production demands and quality expectations of HVAC customers. This requires a coordinated effort between all three companies (Triton, Future Tech and Climatech) spearheaded by R&D to establish a robust setup that is long lasting.

### C. Future Plan of Action

Focus on establishing the Future Tech and Climatech plants to deliver quality products while meeting customer demands. Realization of full capacity at the earliest will be beneficial for the Triton Group of Companies. Each establishment will be put through a rigorous training schedule to establish the relationships between R&D, Quality and Production to ensure the best products are manufactured and controlled.

The global markets and customer demands are coming from all corners of the world for tire valves and HVAC products and the Triton Group of Companies is positioning itself to cater to the needs of the Indian market. Winning orders from global companies in the face of competitive pricing and quality from Chinese manufacturers is key to the success.

### A. Expenditure on Research & Development

	(Rs. in Lakhs)	
	2020-21	2019-20
a. Capital	2.22	28.10
b. Recurring	251.60	225.4
<b>Total</b>	<b>253.82</b>	<b>253.5</b>
Total R&D expenditure as a percentage of turnover	1.09%	1.18%

### B. Foreign Exchange Earnings and Outgo

	(Rs. in Lakhs)	
	2020-21	2019-20
Foreign exchange earned through exports	1,201.01	1,494.73
Foreign exchange used	6389.79	6,175.12

For and on behalf of the Board of Directors

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

Place: Bengaluru  
Date: June 17, 2021

#### Regd. Office:

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

## ANNEXURE VII

## PARTICULARS OF EMPLOYEES

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

(in lakhs)

	Name of Director	Commission	Sitting Fees (II)	Salaries & Perquisites (II)	Total (II)	Ratio (times)
(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	S.K.Welling	2.23	3.00	-	5.23	0.75
	Dr. B R Pai	2.23	3.00	-	5.23	0.75
	Anuradha M. Gokarn	2.23	2.50	-	4.73	0.68
	Aditya M. Gokarn	-	-	118.24	118.24	17.06
	Tamhant Jain	2.23	1.00	-	3.23	0.46
	Prashanth Nayak	2.23	1.00	-	3.23	0.46
	Median Employee Remuneration – 6.93 Lakhs (Average CTC of staff + Workmen)					

(in lakhs)

	Name of Director/KMP	Remuneration (2019-20)	Remuneration (2020-21)	Change % Annualised
(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;	S.K. Welling	5.52	5.23	-5.25%
	Dr. B R Pai	5.52	5.23	-5.25%
	Anuradha M Gokarn	5.52	4.73	-14.31%
	Aditya M Gokarn	118.24	98.60	-16.61%
	Tamhant Jain	2.77	3.23	16.61%
	Prashanth Nayak	2.52	3.23	28.17%
	Srikanth Shenoy	50.99	56.84	11.47%
Swathishree. K.R	3.01*(From November 28, 2019 to March 30, 2020)	7.05	4.30%	

(iii) the percentage increase in the median remuneration of employees in the financial year; 11.36%

(iv) the number of permanent employees on the rolls of company as on March 31, 2021. Staff – 149  
PW – 130  
Total – 279

(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 10.53%  
Salary increase of other than Managerial personnel increased by 11.74%



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(vi) Affirmation that the Yes, remuneration is as per the Remuneration Policy of the Company.  
remuneration is as per  
the remuneration policy  
of the company.

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**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

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

Place: Bengaluru  
Date: June 17, 2021

**Regd. Office:**

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

## ANNEXURE VIII

## THE ANNUAL REPORT ON CSR ACTIVITIES

## 1. Brief outline on CSR Policy of the Company.

Triton Valves Limited ('Triton' or 'the Company') has always believed in good CSR practices since its inception. The Company believes that the only way to bridge the gap between an underprivileged and privileged society, is the concern the Company shows towards the community and the environment (both ecological and social).

In accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of Triton Valves Limited has adopted this Corporate Social Responsibility Policy.

This policy will be applicable to the Company effective April 1, 2015.

## 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
01.	Dr. Bhaskar Ramachandra Pai	Non-Executive Independent Director	1	1
02	Mr. Shrikant Kamalakant Welling	Non-Executive Independent Director	1	1
03.	Mrs. Anuradha Maruti Gokarn	Non-Executive Director	1	1

The CSR Committee met on 12th March, 2021 and it has taken on record the activities undertaken by the Company from 1st April, 2020 to 31st March 2021 and also discussed and approved the plan for the financial year 2021-2022.

## 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is <https://www.tritonvalves.com/downloads/policy/CSRPolicy.pdf>.

## 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).- Not applicable for Financial Year 2020-21

## 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
Not Applicable			

## 6. Average net profit of the company as per section 135(5).

## 7. (a) Two percent of average net profit of the company as per Section 135 (5): Rs.13.41 Lakhs

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years.: Nil

(c) Amount required to be set off for the financial year, if any.: Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c). : **Rs.13.41 Lakhs**



## 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 9.94 Lakhs	-	-	Prime Ministers Citizen Assistance & Relief in Emergency Situations Fund. (PMCARES)	Rs. 3.46 Lakhs	28th June 2021

## (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project State. Dist.	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSRRegistration number.
1.	NIL									
2.	NIL									
<b>Total</b>										

## (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project. State District	Amount spent for the project (in Rs.)	Mode of implementation on-Direct (Yes/ No)	Mode of implementation - Through implementing agency. Name. CSR Registration Number
1.	Supporting the education of children of Primary Government Schools and Anganawadis	Promoting Education	Yes	Karnataka Mysore	Rs.5.94 Lakhs	No	Swami Vivekananda Youth Movement NA
2.	Education support to hearing impaired and mentally challenged underprivileged children	Promoting Education	No	Maharashtra Maharashtra	Rs. 1.00 Lakh	No	Punyatma Prabhakar Sharma Seva Mandal NA
3.	Providing Education to underprivileged students	Promoting Education	Yes	Karnataka Mangalore	Rs. 3.00 Lakhs	No	Saraswat Educational Society NA
<b>Total</b>					<b>Rs. 9.94 Lakhs</b>		

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 9.94 Lakhs**(g) Excess amount for set off, if any: **NIL**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 13.94 Lakhs
(ii)	Total amount spent for the Financial Year	Rs. 13.94 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NA**

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	Total			Not Applicable			

- (b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in. Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project Completed /Ongoing.
	NIL	-	-	-	-	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.

**(Asset-wise details): NA**

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Place: Bangalore  
Date: June 17, 2021

**Dr. Bhaskar Ramachandra Pai**  
Chairman CSR Committee  
DIN: 00184753

**Aditya Maruti Gokarn**  
Managing Director  
DIN: 00185458



# Management Discussion and Analysis

## ECONOMY OVERVIEW IN INDIA

According to the National Statistical Office (“NSO”), India’s GDP was estimated to contract by 8.0% in FY 2020-21. To control the spread of the COVID-19 pandemic, India had imposed a severe lockdown in April and May 2020 resulting in curtailment of economic activities. As a result of the lockdown, India’s GDP contracted by 24.4% in the first quarter of FY 2020-21. As lockdown restrictions were gradually eased from June 2020, the economy witnessed a strong V-shaped recovery. Sector-wise, agriculture has remained the silver lining while contract-based services, manufacturing, construction were hit hardest, and have been recovering steadily. Government consumption and net exports have further provided support in the recovery. As per International Monetary Fund (“IMF”) projections in March 2021, India’s GDP growth is estimated at 12.5% in FY 2021-22 and 6.9% in FY 2022-23.

India has been severely affected by a second wave of the COVID-19 and hospitals in several states are, as of the date of this annual report, still reeling under the shortage of health workers, vaccines, oxygen, medicines and beds. Several states have introduced varying levels of curbs on economic activity and public movement to stop the spread of the virus, which are mostly being reviewed and extended on a weekly or fortnightly basis. The respective state governments are imposing restrictions as they are witnessing surges in the COVID-19 cases. We expect gradual sequential recovery as supply chain and COVID-19 situations improve.

According to data released by SIAM, in FY 2020-21, the Indian automotive industry recorded a 6.1% decline in domestic sales compared to a 20.3% decline in FY 2019-20. The Passenger Vehicle segment declined 2.0% in FY 2020-21, compared to a 17.3% decline in FY 2019-20. While overall industry sales were lower than in FY 2019-20, the trend of preference towards personal mobility reduced the overall impact of the slowdown. The Commercial Vehicle industry in India registered a 21.7% decline in FY 2020-21 compared to a 30.0% decline in FY 2019-20, because of the COVID-19 pandemic, lower freight utilizations, difficulties in obtaining financing and some hesitation due to rising costs for BS VI vehicles. The demand for Passenger Vehicles has grown in FY 2020-21 on the back of some pent-up demand but more importantly a structural shift in personal mobility preference arising out of an urge to break free in the aftermath of the restrictions in travelling during the COVID-19 pandemic situation, as well as resurgence in the rural markets. With the shutdown of all non-essential services accompanied by liquidity and cash crunch, the demand for Commercial Vehicles was severely impacted

in the first half of FY 2020-21. While there are short term challenges on account of COVID-19 pandemic, Commercial Vehicle industry is likely to rebound and show recovery after witnessing two consecutive years of double digit de-growth. Demand for Commercial Vehicles, particularly Medium and Heavy Commercial Vehicles, is likely to also benefit from various government initiatives to help revive the economy. Demand for Commercial Vehicles, particularly Medium and Heavy Commercial Vehicles, is likely to also benefit from various government initiatives to help revive the economy. The Government of India has encouraged foreign investment in the automobile sector and has allowed 100% foreign direct investment (“FDI”) under the automatic route. Focus is now shifting to electric vehicles to reduce emissions. Under union budget 2019-20, the Government of India has also provided an income tax deduction of 1.50 lakhs on interest paid on loan taken for purchase of electric vehicles. Government of India has shown strong intent of driving EV adoption in last few years and have introduced several policy interventions.

**Commodities:** There has been significant increase in steel prices over the last one year. Base metal prices were, on net, broadly flat in the calendar year 2020, as sharp falls in the first half of the year were followed by a strong recovery in the second half due to rising demand from China. Prices of commodity items used in manufacturing automobiles, including steel, aluminium, copper, zinc, rubber, platinum, palladium and rhodium, have become increasingly volatile in recent years. Semiconductor shortages have also impacted the auto industry adversely. Many major automotive companies have been experiencing a shortage of semiconductors, used in the production of automotive chips and charging or other components of electric vehicles. Major semi-conductor suppliers have been operating at reduced capacity for the past year due to proactive local government actions in response to the spread of COVID-19, causing a global shortage of semiconductors supply. Post COVID-19 pandemic, automakers reduced their production and semi-conductor orders too, which also worsened the situation.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

The size of the Indian tyre valve business is estimated at approximately Rs. 325 crores in the organized sector in the period 2020-21. Exports do not constitute a significant proportion of this turnover. Three manufacturers contribute over 75% of the total production and sales. 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.

### Tyre & Tube Industry Structure

Tyres play an integral role to ensure mobility including movement of passengers and essential goods across the urban and rural landscape of the country using all types of vehicles ranging from carts, tractors, trucks and buses to the latest generation passenger cars that ply on the modern expressways. Various types of tyres are manufactured in India that includes Moped tyre weighing 1.5 Kg to Off Road tyres for Earthmovers which weigh 1.5 ton, Bias Ply tyres to rugged all steel radial truck tyres to high performance passenger car radial and tubeless tyres etc.

The tyre industry is directly dependent on the business from the OEMs and the replacement market. As the OEMs for PV and CV continued to show poor sales, demand from them impacted the tyre industry adversely. The replacement market, on the other hand, continued to support the industry and partially recouped the losses. The Automotive Tyre Manufacturer's Association (ATMA) data shows replacement sales for M&HCV accounted for 81% of total domestic production— the highest across categories. A remarkable increase from 72% in the previous fiscal. Exports accounted for around 12% of the total volume for the segment. PV replacement accounted for 55% of total domestic availability, while OEMs contributed to around 37% of the business. During the year, demand increased in rural India as is evident in the double-digit growth in the Tractor, Tractor Rear and Tractor Trailer segments, which grew by 47%, 70% and 24%, respectively.

### Import of Tyres & Tubes

Imported tyres attract Customs Duty of 10% except for Truck & Bus Radial (TBR) tyres and Passenger Car Radial (PCR) tyres, which attract Customs Duty of 15%. Tyres are also imported at concessional custom duty under various agreements such as Asia Pacific Trade Agreement (12.9% for TBR and PCR Tyres, 8.6% for other Tyres), ASEAN FTA (5%), India-Malaysia Trade Agreement (5%), India Sri Lanka (Nil), India- Singapore (Nil for Bias Tyre). During 2019-20, import of tyres & tubes was worth Rs.2,712 crore. The estimated import value of Tyres & Tubes for the year 2020-21 is at Rs.1,275 crore. The Government brought changes in the import policy for new pneumatic tyres by bringing it into restricted category from free import, under notification No 12/2015-2020 dated 12th June, 2020.

### Export of Tyres & Tubes

Indian Tyre Industry is one of the consistent and leading exporters, supplying tyres to more than 100 markets worldwide. Indian Tyre Industry has made significant investments exceeding Rs.50,000 crore in recent years by way of greenfield projects and brownfield expansions. During 2019-20 tyres / tubes worth Rs.13,327 crore were exported. The estimated value of exports of tyres & tubes for the year 2020-21 is Rs.12,764 crore.

### COVID-19 PANDEMIC AND MANAGING WORKFORCE

At Triton, the health and safety of our employees has always been our top priority. We have taken several proactive measures to ensure the safety of our employees and their families and offer them support as we navigate the COVID-19 pandemic. We moved our office operations into work from home model wherever possible and enabled employees with all the tools to keep up their productivity. During Restart phase, dedicated 'Restart' teams at each location curated detailed guidelines and conducted intensive trainings for maintaining social distancing at all workplaces, shop floors and canteen facilities. We restarted our operations at plant and dealership with limited, essential staff in each department, adhering to all mandated safety norms, while efficiently meeting operational requirements. Gradually we scaled up our operations with entire ecosystem of suppliers, vendors, dealers and customers coming up to speed.

### COVID-19 PANDEMIC AND ITS IMPACT ON FINANCIALS

COVID-19 pandemic has rapidly spread throughout the world, including India. Governments in India and across the world have taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, the Company's manufacturing plants and offices had to be closed down / operate under restrictions for a considerable period of time during the year and post year end. Lockdowns / restrictions have impacted the Company operationally including on commodity prices, supply chain matters (including semiconductor supplies), consumer demand and recoveries of loans under its vehicle financing business. More recently, the next wave of the pandemic has impacted India and the Company is monitoring the situation closely taking into account the increasing level of infections in India and across the world and directives from the various Governments. Management believes that it has taken into account all the possible impacts of known events arising from the COVID-19 pandemic in the preparation of the financial results including but not limited to its assessment of the Company's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets, intangible assets under development, allowances for losses for finance receivables, product warranty, employee benefits, and the net realisable values of other assets including inventory and Deferred tax asset. However, given the effect of these lockdowns and restrictions on the overall economic activity and in particular on the automotive industry, the impact assessment of the COVID-19 pandemic on the financial statement is subject to significant estimation uncertainties due to its nature and duration and, accordingly, the actual impacts in the future may be different from those estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.



## SEGMENT-WISE PERFORMANCE

### Financial analysis (Consolidated):

- Net revenues increased by 3.42% to Rs. 181.26 Crores during FY 2020-21 compared to Rs. 175.27 Crores during FY 2019-20.
- Operating profit (EBITDA) stood at Rs. 24.86 Crores compared to Rs. 23.47 Crores during FY 2020-21.
- Finance costs decreased by (9.66%) from Rs. 4.74 Crores to Rs. 4.28 Crores during FY 2020-21 due to lower interest rate in Triton Valves Hong Kong Limited (WOS).
- Total expenses stood at Rs. 221.89 Crores during FY 2020-21 compared to Rs. 207.43 Crores during FY 2019-20.
- Profit after tax including other comprehensive income (OCI) stood at Rs. 8.02 Crores.
- Property, plant and equipment and intangible assets including investment property increased by 53.98% to Rs. 88.53 Crores during FY 2020-21 from Rs. 57.49 Crores during FY 2019-20.
- Capital work-in-progress as on 31st March 2021 Rs. 5.49 Crores during FY 2020-21 compared to Rs. 3.15 Crores during FY 2019-20.
- Cash and cash equivalents stood at Rs. 12.68 Crores as on 31st March, 2021 compared to Rs. 10.66 Crores as on 31st March, 2020.

### OUTLOOK

The second wave of COVID-19 pandemic implies further challenges for various economies, including India. According to the International Monetary Fund (IMF), global prospects remain highly uncertain. New virus mutations and the accumulating human toll, raise concerns, even as growing vaccine coverage lifts people's sentiments. The outlook depends not only on the outcome of the battle between the virus and vaccines—it also hinges on how effectively economic policies are deployed to limit lasting damage from this unprecedented crisis.

The IMF is projecting a global growth at 6% in 2021 moderating to 4.4% in 2022. However, uncertainty surrounds this outlook considering the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine powered normalization and the evolution of financial conditions. In Europe, the economic activities are currently undergoing stress due to lockdowns and falling demand. As per the IMF, the European economy is expected to recover by 4.7% in 2021. For India, the IMF holds a bullish outlook. As per its April 2021 update, the IMF projected India's GDP to grow 12.5% in FY22—the highest among emerging and advanced economies. The GDP growth for FY23 is pegged at 6.9%. India is the only country expected to register a double-digit growth this fiscal. However, the rapid spread of the second wave of COVID-19 might temper this outlook.

COVID-19 has grave consequences for the automobile industry and all related sectors. In its outlook in April 2021, SIAM estimates Passenger Vehicle (PV) sales to grow between 3-5% and Commercial Vehicle (CV) at 10-12%. The Two-Wheeler (2W) segment is expected to grow between 5-7% and the Three Wheeler (3W) segment is pegged to grow between 7-9%. With the imposition of lockdowns across the country, the outlook might be subject to change. Considering this volatile outlook, Triton continues to have a cautious approach. The focus is on employee safety and conserving cash. The Company is re-engineering production and rethinking avoidable costs while investing in R&D, e-Training and brand building.

### 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. Risk is an integral and unavoidable component of business. In today's challenging and competitive environment, mitigating risks is imperative. Common risks include changing regulations, competition, business risk, technology obsolescence, investments and retention of talent. Business risk, inter alia, further includes financial risk, social risk, political risk, environmental risk and legal risk. For managing risks more efficiently, the Company has undertaken a detailed risk management exercise and has identified key risks that can have a critical impact on the Company's performance. The Company has inter alia identified the following key risks:

#### Operational Risk

Operational risks like equipment obsolescence can impact production. To mitigate such risks, the Company continuously monitors equipment obsolescence and upgrades equipment from time to time and undertakes preventive maintenance measures.

#### Fluctuation in Raw Material prices

The Company's major raw material is brass. Due to LME price fluctuations, the prices and the supply have been adversely affected. In view of this we foresee an increase in cost which will be set off by an increase in prices over a period of time. The second wave of COVID-19 across the globe has disrupted the entire supply chain which has led to higher delivery time coupled with increase in logistic cost. The Company is continuously developing alternative sources of raw material as well as their supply chain to ensure timely delivery of goods at a minimal cost.

#### Market Risk

Your Company manages market risk by expanding its presence in different markets, deeper penetration into existing markets and by launching new products. Furthermore,



the Company spends requisite amount on marketing and promotional activities to ensure customer retention and brand-building. COVID-19 including the second wave has led to lockdown across the globe which may adversely impact the demand to some extent. The Company believes that due to the vaccination drive across the world, the disruption in demand if any, may be temporary in nature and do not foresee any long-term challenges in demand.

#### Labour Relations

Since the manufacturing process of the Company is labour intensive, it requires lot of skilled as well as un-skilled workers. Maintaining a huge work force is a big challenge. In order to mitigate the said risk, the Company follows good HR practices to promote the welfare and safety of its workmen and maintain a cordial working environment.

#### Retention of skilled manpower

Like other players in the industry, the Company is also exposed to this risk, more particularly when there is shortage of skilled manpower in the industry. COVID-19 has further intensified this risk. However, the Company is able to manage the said risk by good HR practices and rewarding its employees handsomely.

#### Risk Management

The Board identifies and categorizes risks in the areas of operations, finance, marketing, regulatory compliances and corporate matter. The Company annually re-views the 'List of Risk Area' to identify potential business threats and takes suitable corrective actions. The Internal Auditor expresses his opinion on the level of risks during the audit of a particular area and reports to the Audit Committee for corrective action.

### 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 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.

### KEY RATIOS:

As required by SEBI (LODR) (Amendments) Regulations, 2018 the Company is required to furnish the details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations for the changes.

The Company has identified the following ratios as key financial ratios:

Particular	2020-21	2019-20
Current Ratio	1.19	1.21
Debt Equity Ratio	1.14	0.76
Interest Coverage Ratio	3.27	2.56
Inventory Turnover Ratio	3.74	4.16
Operating Profit Margin (%)	10.8	11.0
Net Profit Margin (%)	4.2	3.4

Debt Equity Ratio has increased in line with the loans obtained for the Two new subsidiaries that we have setup.

Interest Coverage Ratio has increased in line with the profitability of the group.

During the year, there have been significant changes in the following key ratio.

The details of change in Return on Equity of the Company as compared to the previous year is given below:

Particular	2020-21	2019-20
Return on Equity	9.6	7.3

Return on Equity has increased in line with the profitability of the group.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company believes that Internal Control is one of the key pillars of governance, which provides freedom to the management within a framework of appropriate checks and balances. It has a robust internal control framework, which has been instituted considering the nature, size and risks in the business. The framework comprises, inter alia, a well-defined organization structure, roles and responsibilities, documented policies and procedures and financial delegation of authority. These policies are complimented by a management information and monitoring system, which ensures compliance with internal processes, as well as with applicable laws and regulations.

The Company's internal control environment ensures efficient conduct of operations, security of assets, prevention and detection of frauds/errors, accuracy and completeness of accounting records and the timely preparation of reliable financial information. The Company uses TCS iON an Enterprise Resource Planning (ERP) software as its core IT system.



The systems and processes are continuously improved by adopting best-in-class processes. The operating management is not only responsible for revenue and profitability, but also for maintaining financial and commercial discipline.

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 system 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 2020-2021 are as under:

	(in lakhs)
	<b>2020-2021</b>
Total Sales	22,962.03
Other Income	198.01
Profit before Tax	971.08

The financial performance of the Company has been explained in the Board's Report of the Company for the financial year 2020-21 appearing separately.

### HUMAN RESOURCES

Your Company believes that people are the key to future growth and sustainability. The Company endeavors to attract and develop the best talent available in each area of its operations. The Company is working to constantly develop and improve the skills and competencies of employees across all levels. 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.

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 employees and the recognized union continue to play a positive and constructive role in the growth and development of the Company.

Considering the health and safety of the employees of the Company and in line with the advisories, orders and directions issued by both State and Central Government in order to prevent the spread of the coronavirus (COVID 19) outbreak, the Company has suspended its operations except critical operations at plant level till the lockdown period. Further the Company has also implemented Work from Home Policy to ensure the safety of employees post COVID 19 issue. The HR department of the Company is continuously in touch with the employees to guide them and solve their problems. The HR Department of the Company has continuously created the awareness of COVID 19 among the employees of the Company through E-mails and has also educated the employees in respect of personal hygiene and precautions which needs to be taken in this situation of pandemic. The Company has conducted the interviews through telephone and skype and meetings through Video Conferencing in order to maintain social distancing which is most essential due to the spread of COVID 19. The Company has maintained healthy and cordial industrial relations during the year.

### CAUTIONARY STATEMENT

The Management Discussions and Analysis describe Company's projections, expectations or predictions and are forward looking statements' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand and supply and price conditions in domestic and international market, changes in Government regulations, tax regimes, economic developments and other related and incidental factors.

For and on behalf of the Board of Directors

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

Place: Bengaluru  
Date: June 17, 2021

**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 31st March 2021 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 Listing Regulations.

- 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 Listing Regulations is being regularly placed before the Board.
- v. The Board confirms that the Independent Directors fulfill the conditions specified in Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent of the Board as of 31st March, 2021.
- vi. During the year, the Board of Directors met Four (4) times on 26th June 2020, 20th August 2020, 10th November 2020 and 12th February 2021. The details of Directors' attendance at the Board meetings during the year and at the last Annual General Meeting are given below.
- vii. The details of number of directorships in Indian companies and Committee memberships held in Indian public companies as on 31st March 2021 are furnished below. None of the Directors on the Board holds directorships in more than eight (08) Listed Companies or ten (10) public companies or acts as an Independent Director in more than seven (07) Listed Companies. Further, none of them is a member of more than ten (10) committees or chairman of more than five (05) 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		Directorships held in other listed entities
			Held	Attended			Member	Chairperson	
Mr. Aditya M. Gokarn	Son of Mrs. Anuradha M Gokarn	Managing Director	4	4	Yes	NIL	1	0	NIL
Mrs. Anuradha M. Gokarn	Mother of Mr. Aditya M Gokarn	Non- executive Non Independent Director	4	4	No	NIL	1	0	NIL
Dr. B.R.Pai	None	Non-executive Independent Director	4	4	Yes	NIL	1	1	NIL
Mr. S. K. Welling	None	Non-executive Independent Director	4	4	Yes	1	1	1	NIL



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		Directorships held in other listed entities
			Held	Attended			Member	Chairperson	
Mr. Tamhant Jain	None	Non-executive Independent Director	4	4	Yes	NIL	0	0	NIL
Mr. Prashanth-Nayak	None	Non-executive Independent Director	4	4	Yes	1	0	0	NIL

\* 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 Company website [www.tritonvalves.com](http://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](http://www.tritonvalves.com).

viii. During the year, the Independent Directors met once on 13th March 2021, 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.

ix. 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: [https://www.tritonvalves.com/downloads/policy/Familiarisation\\_Programme\\_for\\_Independent\\_Directors.pdf](https://www.tritonvalves.com/downloads/policy/Familiarisation_Programme_for_Independent_Directors.pdf)

#### Skills/ Expertise/ Competence identified by the Board of Directors

The list of core skills/ expertise/ competencies identified by the Board of Directors as required in the context of the Company's business operations for it to function effectively and those actually available with the Board are as follows:

- Technical skills in the area of Manufacturing Sector.
- International Business experience: Experience in leading businesses in different geographies/markets around the world.
- Sales & Marketing: Experience in sales and marketing management in the area of Tyre Valves, Tubes and Machine Tool Industries.
- Finance and Accounting Experience: experience in handling financial management of a medium scale organization along with an understanding of accounting and financial statements, financial controls, risk management etc.
- General Management Experience: experience in the area of Economic, Legal and Regulatory matters, Strategic thinking/planning, decision making, Leadership, knowledge about Company's business and protect interest of all stakeholders.

Director wise Core Skills/Expertise/Competencies is as under:

Sl. No	Name of the directors	LIST OF CORE SKILLS/EXPERTISE/COMPETENCIES				
		Technical skills	International Business experience	Sales & Marketing	Finance and Accounting Experience	General Management Experience
1	Mr.S.K.Welling	✓	✓	✓	✓	✓
2	Dr. B R Pai	✓	-	-	-	✓
3	Mrs. Anuradha M Gokarn	✓	✓	-	✓	✓
4	Mr. Aditya M. Gokarn	✓	✓	✓	✓	✓
5	Mr. Tamhant Jain	✓	✓	✓	✓	✓
6	Mr. Prashanth Nayak	✓	✓	✓	✓	✓

## COMMITTEES OF THE BOARD

For the year ended 31st March 2021, the Board has five Committees – Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The constitution and terms of reference of the Board Committees are decided by the Board from time to time. Meeting of each Board Committee is convened by the respective Committee Chairman. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are as follows:

### AUDIT COMMITTEE

- i. The Audit Committee consists of three members - two of whom are Independent Directors and one Non-executive Director. The Chairman of the Committee is an Independent Director. As on 31st March 2021, the Committee consists of:

Mr. S K Welling – Chairman

Dr. B. R. Pai – 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 (4) times on 25th June 2020, 19th August 2020, 09th November 2020 and 11th February, 2021. 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
Mr. S. K. Welling	4	4
Dr. B. R. Pai	4	4
Mrs. Anuradha M. Gokarn	4	3

### 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 31st March 2021, the Committee consists 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 Two (2) times on 25th June 2020 and 19th August 2020. All the members of the Committee were present. The Company Secretary acts as Secretary to the Committee.

### 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](http://www.tritonvalves.com).

Details of Remuneration paid to Executive Directors / Non-Executive Directors during the financial year 2020-21 are as below:

During the year 2020-21 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 05th August 2016 approved the payment of commission to the Non-Executive Directors effective 01st April 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 2020-2021

(Rs. in lakhs)

Name of Directors	Sitting Fees	Salaries & Perquisites	Commission
Mr. S. K. Welling	3.00	-	2.23
Dr. B. R. Pai	3.00	-	2.23
Mrs. Anuradha M. Gokarn	2.50	-	2.23
Mr. Tamhant Jain	1.00	-	2.23
Mr. Prashanth Nayak	1.00	-	2.23
Mr. Aditya M. Gokarn	-	98.60	-

\*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 31st March 2021 are furnished below:

Name of Directors	Number of Shares
Mrs. Anuradha M Gokarn	3,20,041
Dr. B R Pai	1,771
Mr. S K Welling	500
Mr. Tamhant Jain	100
Mr. Prashanth Nayak	Nil

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

Service contracts, notice period, severance fees:

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

Non-Executive/Independent Directors' Compensation and Disclosures

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

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee consists of three members- two of whom are Independent Directors and one Executive Director. The Chairman of the Committee is an Independent Director. As on 31st March 2021, the Committee consists 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 31st March 2021, One (01) Meeting of the Stakeholders' Relationship Committee was held on 12th March 2021. 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 2020-21 are as follows:

<b>Name of Non-Executive Director heading the Committee</b>	Dr. B. R. Pai, Independent Director
<b>Name and Designation of Compliance Officer</b>	Ms. Swathishree K R – Company Secretary and Compliance Officer
<b>Pending at the beginning of the year</b>	Nil
<b>Received during the year</b>	Nil
<b>Resolved during the year</b>	Nil
<b>Complaints pending at the end of the year</b>	Nil

### CORPORATE SOCIAL RESPONSIBILITY 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 31st March 2021, the CSR Committee consists of the following Directors:

Dr. B. R. Pai- Chairman

Mr. S.K.Welling- Member

Mrs. Anuradha M. Gokarn - Member

During the year, the Committee met One (01) times on 12th March, 2021. All the members of the Committee were present. The Company Secretary acts as Secretary to the Committee.

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

### RISK MANAGEMENT COMMITTEE

As required under Section 134(3)(n) of the Companies Act, 2013 and Listing Regulations. 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:

Mr. Prashanth Nayak - Chairman

Dr. B. R. Pai - Member

Mr. S.K.Welling - Member

Mr. Aditya M. Gokarn – Member

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

### ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING

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

Year	AGM/EGM	Location	Date and Time	Special Resolutions
2019-20	AGM	Through Video Conference Mode at	September 28, 2020 at 04.00 p.m.	Re-appointment of Mr. Shrikant Kamalakant Welling (DIN: 00050943) as an Independent Director and continuation of Mr. Shrikant Kamalakant Welling, as a Non-Executive Director
2018-19	AGM	The Gateway Hotel, Residency Road, Bangalore-560 025	September 24, 2019, at 4:00 p.m	Continuation of Directorship of Dr. B R Pai (DIN: 00184753) as Non-Executive – Independent Director of the Company, who will attain the age of 75 years.
2017-18	AGM	The Gateway Hotel, Residency Road, Bangalore-560 025	July 26, 2018, at 4.00 pm	Increase in Borrowings Powers of the Company

### DISCLOSURES

- 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: [https://www.tritonvalves.com/downloads/policy/Related\\_Party\\_Transaction\\_Policy.pdf](https://www.tritonvalves.com/downloads/policy/Related_Party_Transaction_Policy.pdf)



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](http://www.tritonvalves.com).
4. **Accounting Treatment in preparation of Financial Statements:** The guidelines/ accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 133 of the Companies Act, 2013 have been followed in preparation of the financial statements of the Company in all material respects.
5. **Code of Conduct:** The Company has framed and adopted a Code of Conduct for its Directors and senior management personnel duly approved by the Board. A copy of the said Code of Conduct is available on the website of the Company at [www.tritonvalves.com](http://www.tritonvalves.com).
6. All Board Members and senior management personnel have confirmed compliance with the Code of Conduct for the financial year 2020-21. A declaration to this effect signed by the Managing Director and CEO of the Company is attached.
7. The Company has adopted a Policy on Determination of Materiality for Disclosures as per Regulation 23 of Listing Regulations. Copy of the said Policy is available on the website of the Company at [www.tritonvalves.com](http://www.tritonvalves.com).
8. The Company has adopted a Policy on Archival and Preservation of Documents as per Regulation 9 of Listing Regulations. Copy of the said Policy is available on the website of the Company at [www.tritonvalves.com](http://www.tritonvalves.com).
9. The Company has complied with all the applicable mandatory requirements of the Listing Regulations.
10. The Company has also complied with the following non-mandatory requirements as specified in Part E of Schedule II Listing Regulations:
- Chairman's Office:** The Company has Non-Executive Chairman. However, no separate Chairman's office is maintained at the Company's expense.
  - Shareholder Rights – Half yearly results:** The Company's quarterly results are published in the newspapers namely Financial Express (English) and Samyukta Karnataka (Kannada) and are further posted on the Company's website
  - Audit Qualification:** There are no qualifications contained in the Audit Report.
  - Reporting of Internal Auditors:** The Internal Auditors of the Company report to the Audit Committee and make detailed presentation at quarterly meetings.
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 Listing Regulations.
14. Declaration under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018: All the Directors have confirmed that they are neither debarred nor disqualified from being appointed or continuing as Director by Securities and Exchange Board of India / The Ministry of Corporate Affairs or any such statutory authority. The Company has obtained a Certificate to this effect from Mr.Vijayakrishna K.T., Practicing Company Secretary, Bangalore as mandated under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.
15. Fees paid to Statutory Auditor: Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

(Rs. In Lakhs)

Sl. No.	Particulars	Amount of Fees paid
01.	Statutory Audit Fee	16 Lakhs
02.	Other Services	2.59 Lakhs
	<b>Total</b>	<b>18.59 Lakhs</b>



16. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

We are committed to provide a healthy environment to our employees and thus do not tolerate any discrimination and/or harassment in any form. The Company has in place Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year 2020-21, no complaint of sexual harassment has been received.

### MEANS OF COMMUNICATION:

**Quarterly results:** Quarterly results are published in one English daily, Financial Express 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.

### CREDIT RATINGS AND ANY REVISIONS THERETO FOR DEBT INSTRUMENTS OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD:

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March 2021. The ratings given by CRISIL for short-term borrowings and long-term borrowings of the Company are A2 and BBB+ respectively. There was no revision in the said ratings during the year under review.

### General Shareholders' Information:

1	Date, Time & Venue of AGM	The 45th Annual General Meeting (AGM) of the Members of Triton Valves Limited will be held on Monday, 27th September 2021, at 04.00 PM through Video Conference (VC) or Other Audio Visual Means (OAVM)
2	Financial Year	1st April to 31st March each year
3	Dividend Payment Date	within 30 days from the date of AGM
4	Listing details	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 The Annual Listing Fee has been paid for the FY 2021-22.
5	Stock Code	505978
6	Dates of Book closure	21 <sup>st</sup> September 2020 to 27 <sup>th</sup> September, 2021 (both days inclusive)
7	Registrar & Transfer Agents	Canbank Computer Services Limited, 218, J. P. Royale, 1st Floor, 2nd 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. Swathishree KR – 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



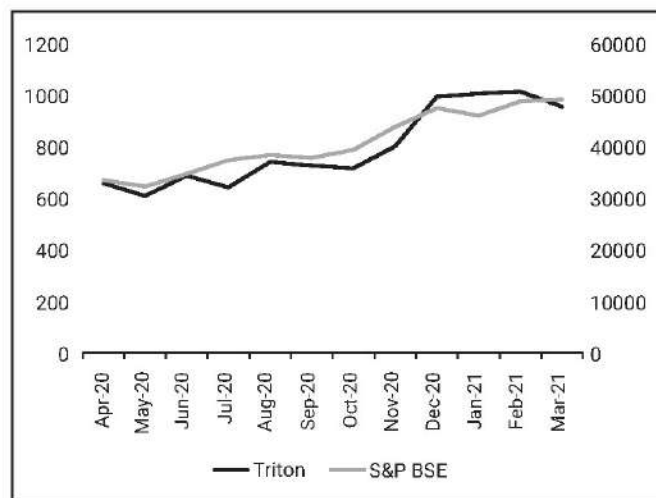
### Details of Utilisation of funds raised through Preferential Allotment

Funds raised through Preferential Allotment of Rs. 329 Lakhs to the promoters and promoter group were utilized for the Companies capital purposes.

### Stock Market Price Data (BSE)

Month	BSE		
	High	Low	Total Number of Equity Shares traded
April-20	739.5	412.95	4484.00
May-20	661.85	580.05	4328.00
June-20	749.95	613.15	13906.00
July-20	720.00	641.00	7478.00
August-20	824.00	630.00	34452.00
September-20	815.00	656.00	7032.00
October-20	845.00	692.00	7794.00
November-20	856.00	651.95	11787.00
December-20	1199.00	808.00	31327.00
January-21	1113.00	961.00	10316.00
February-21	1140.95	992.35	10565.00
March-21	1045.00	916.60	9124.00

### Performance of the Share Price of the Company on comparison to the BSE Sensex



### Distribution of Shareholding as on 31st March 2021

No. of Equity Shares held	No. of Shares held	% To total number of shares	No. of Shareholders	% To total number of Shareholders
1-500	25,6,560	24.91	5,896	97.99
501-1000	44,972	4.37	63	1.05
1001-5000	87,558	8.50	44	0.73
5001-10000	46,213	4.49	7	0.12
10001 & above	5,94,724	57.74	7	0.12
<b>Total</b>	<b>10,30,027</b>	<b>100.00</b>	<b>6,017</b>	<b>100.00</b>

### Shareholding Pattern as on 31st March 2021.

Category	No. of Share holders	No. of Shares held	% of Shareholding
Promoter and Promoter group	5	539,704	52.40
Mutual Funds	-	-	0.00
Financial Institutions / Banks	1	1	0.00
Foreign Institutional Investors	-	-	0.00
Bodies Corporate	39	22,149	2.15
Individuals	5,642	443,650	37.83
HUF	238	14,254	1.34
Clearing Members	19	855	0.08
Non-Resident Indians	70	8,181	0.79
IEPF Authority	1	1,233	0.12
<b>Total</b>	<b>6,015</b>	<b>1,030,027</b>	<b>100.00</b>

### Dematerialization of Shares:

Members are requested to convert their physical holdings demat/electronic form through the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held. Shares received for dematerialization are generally confirmed within maximum period of 21 days from the date of receipt, if the documents are clear in all respects. The number of shares held in dematerialized and physical mode as on 31st March 2021 is as under:

Sl. No.	Description	No of shares	% of total capital issued
1	Held in dematerialized form in NSDL	845,795	82.11
2	Held in dematerialized form in CDSL	170,317	16.54
3	Physical	13,915	1.35
<b>Total</b>		<b>10,30,027</b>	

### 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](http://www.tritonvalves.com)

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

Details of Unclaimed Dividend as on 31st March 2021 and due dates for transfer are as follows:

Sl. No	F.Y. of Declaration of Dividend	Date of Declaration of Dividend	Unclaimed Amount (in. Rs)	Due Date for transfer to IEPF Account
1.	2013-14	August 14, 2014	117,720	September 20, 2021
2.	2014-15	August 19, 2015	145,876	September 25, 2022
3.	2015-16	August 5, 2016	166,948	September 12, 2023
4.	2016-17	July 12, 2017	204,585	August 18, 2024
5.	2017-18	July 26, 2018	173,970	September 1, 2025
6.	2018-19	September 24, 2019	143,124	November 2, 2026
7.	2019-20	March 13, 2020	3,22,905	April 20, 2027

#### 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

#### Plant 2

DDB Logistics LLP,  
Survey No. 21, State Highway 07,  
Viramgram Becharaji Road, Village Jalisana,  
Mandal Taluka, dist. Ahmedabad  
Gujarat – 382130

#### 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 Practicing 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 2020-21.

For and on behalf of the Board of Directors

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

Place: Bengaluru  
Date: June 17, 2021

#### Regd. Office:

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



**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 31st March 2021 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: June 17, 2021

**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 the compliance of the conditions of Corporate Governance by Triton Valves Limited for the year ended 31st March, 2021 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

Place: Bangalore  
Date: June 17, 2021

**Vijayakrishna K T**  
Practising Company Secretary  
FCS-1788 CP-980  
UDIN: F001788C000483038



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of  
the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members  
Triton Valves Limited  
Sunrise, Chambers  
22 Ulsoor Road,  
Bangalore - 560042

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Triton Valves Limited (hereinafter referred to as 'the Company') having CINL25119KA1975PLC002867 and having registered office at Sunrise, Chambers, 22 Ulsoor Road, Bangalore - 560042, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2021 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1.	Mr. Shrikant Kamalakant Welling	00050943	27.10.2015
2.	Mr. Bhaskar Ramachandra Pai	00184753	22.01.2006
3.	Mr. Aditya Maruti Gokarn	00185458	20.06.2005
4.	Ms. Anuradha Maruti Gokarn	00185509	12.07.1986
5.	Mr. Tamhant Jain	02787785	03.02.2017
6.	Mr. Prashanth Raghunath Nayak	03371824	04.05.2018

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bengaluru  
Date: June 17, 2021

**Vijayakrishna K T**  
Practising Company Secretary  
FCS:1788 CP: 980  
UDIN: F001788C000483115

# Independent Auditors' Report

## To The Members of Triton Valves Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Triton Valves Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2021, 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 significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b>Expected Credit Losses on trade receivables:</b></p> <p>The Company has trade receivables due from customers amounting to Rs.4,691.60 lakhs as stated in Note 10 to the standalone financial statements.</p> <p>The management determined the allowance for credit losses based on current conditions and forecast of future conditions taking into consideration historical loss experience. During the year, management has considered additional provisions based on the current and anticipated future economic conditions arising from the COVID -19 pandemic event on the customers' business operations and the consequent ability to pay.</p> <p>In computing the expected credit losses, the Company has also considered external sources of information relating to its customers' credit risk that were available in public domain to estimate the probable loss in future and has taken into account possible effects from the pandemic relating to COVID -19.</p> <p>We identified the valuation assertion relating to the allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses.</p>	<p>Our audit procedures related to the allowance for credit losses for trade receivables included the following, among others:</p> <p>We evaluated the design and tested the effectiveness of controls over the (1) input data used by the management such as the customers' credit risk and related information (2) completeness and accuracy of information used in the estimation of probable loss and (3) computation of the allowance for credit losses.</p> <p>For a sample of customers:</p> <ul style="list-style-type: none"> <li>- We tested a sample of invoices to verify the accuracy of the aging data considered.</li> <li>- We tested the realization of receivables subsequent to the balance sheet date.</li> <li>- We tested other input data used by the management such as the customers' credit risk and related information by corroborating the same with internal source of information and to the extent publicly available, the external sources of information.</li> </ul> <p>We tested the mathematical accuracy and computation of the allowances by using the above input data to determine if there were any material differences in the aggregate.</p>



### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 Ind AS 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's



report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the standalone financial statements.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

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 accounts
  - d) In our opinion, the aforesaid standalone financial statements comply with the IndAS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 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 the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) 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 standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
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. DHS LLP-117366W/W-100018)

**Balaji M N**  
(Partner)  
(Membership No. 202094)  
(UDIN: 21202094AAAADY8410)

Place: Bengaluru  
Date: June 17, 2021

## Annexure “A” to the Independent Auditor’s Report

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

**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, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective 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.

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

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and



not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, 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, 2021, based on the criteria for internal financial control over financial reporting established by the respective Company

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

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

**Balaji M N**  
(Partner)  
(Membership No. 202094)  
(UDIN: 21202094AAAADY8410)

Place: Bengaluru  
Date: June 17, 2021

## Annexure “B” to the Independent Auditor’s Report

### (Referred to in paragraph 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 property, plant and equipment.
- (b) Some of the property, plant and equipment 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 property, plant and equipment 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 lenders.
- 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. According to the information and explanations given to us, the Company has granted loans, secured, to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company’s interest.
  - (b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.
  - (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- 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 grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits at the beginning of the year . Hence, reporting under Clause 3(v) of the Order is not applicable to the Company.
- 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 generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Excise Duty, 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, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Provident Fund, Employees’ State Insurance, Goods and Service Tax, Sales Tax, Income tax as on March 31, 2021 on account of disputes.



- 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 and banks. The Company has not taken any loans or borrowings from government nor issued any debentures.
- ix. In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds.
- 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 / provided 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 CARO 2016 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, where applicable, 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 CARO 2016 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 subsidiary 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. DHS LLP-117366W/W-100018)

**Balaji M N**  
(Partner)  
(Membership No. 202094)  
(UDIN: 21202094AAAADY8410)

Place: Bengaluru  
Date: June 17, 2021

# Standalone Balance Sheet

as at March 31, 2021

Particulars	Notes	(₹ in Lakhs)	
		As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	3a	5,255.71	5,678.01
Capital work-in-progress	4a	276.83	315.22
Right-of-use assets	4b	4.70	15.99
Investment property	6	1,387.80	33.42
Intangible assets	3b	18.51	38.38
Financial assets			
(i) Investments	5	157.56	48.45
(ii) Loans	7a	1,584.21	626.24
Other non-current assets	8a	237.82	368.24
<b>Total non-current assets</b>		<b>8,923.14</b>	<b>7,123.95</b>
<b>Current assets</b>			
Inventories	9	3,003.96	3,514.41
Financial assets			
(i) Loans	7b	846.48	28.16
(ii) Trade receivable	10	4,691.60	3,486.36
(iii) Cash and cash equivalents	11a	653.44	610.74
(iv) Bank balances other than cash and cash equivalents	11b	12.24	11.03
Current tax assets (net)	12	279.67	475.58
Other current assets	8b	211.47	205.91
<b>Total current assets</b>		<b>9,698.86</b>	<b>8,332.19</b>
<b>Total</b>		<b>18,622.00</b>	<b>15,456.14</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	103.00	103.00
Other equity	14	8,582.28	7,639.94
<b>Total equity</b>		<b>8,685.28</b>	<b>7,742.94</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	15	1,498.00	349.74
(ii) Lease liabilities	16a	1.09	1.09
Provisions	17a	112.76	180.37
Deferred tax liabilities (net)	18	36.54	83.71
<b>Total non-current liabilities</b>		<b>1,648.39</b>	<b>614.91</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	19	4,389.63	3,778.34
(ii) Trade payables	20		
(a) Total outstanding dues of Micro and Small Enterprises		3.50	3.18
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		3,507.67	2,900.30
(iii) Lease liabilities	16b	1.47	18.66
(iv) Other financial liabilities	21	270.04	248.38
Provisions	17b	68.37	103.80
Other current liabilities	22	47.65	45.63
<b>Total current liabilities</b>		<b>8,288.33</b>	<b>7,098.29</b>
<b>Total liabilities</b>		<b>9,936.72</b>	<b>7,713.20</b>
<b>Total</b>		<b>18,622.00</b>	<b>15,456.14</b>

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

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

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

**Balaji M N**  
Partner

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

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

Place : Bengaluru  
Date : June 17, 2021

**Srikanth Shenoy**  
Chief Financial Officer

**Swathishree K.R**  
Company Secretary  
Membership No.A48365



# Standalone Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Revenue from operations	23	23,314.68	21,367.47
Other income	24	300.25	92.27
<b>Total income</b>		<b>23,614.93</b>	<b>21,459.74</b>
<b>Expenses</b>			
Cost of materials consumed	25	15,237.18	13,652.47
Change in inventories of finished goods and work in progress	26	181.97	(156.82)
Employee benefits expense	27	2,952.11	2,929.98
Finance costs	28	352.74	433.42
Depreciation and amortization expense	29	1,038.06	1,135.81
Other expenses	30	2,751.67	2,746.20
<b>Total expenses</b>		<b>22,513.73</b>	<b>20,741.06</b>
<b>Profit before tax</b>		<b>1,101.20</b>	<b>718.68</b>
<b>Tax expense</b>			
	31		
Current tax		318.12	294.25
MAT credit utilised		-	(87.51)
Deferred tax		(55.01)	(15.53)
Tax for earlier years		(80.93)	-
		<b>182.18</b>	<b>191.21</b>
<b>Profit for the year</b>		<b>919.02</b>	<b>527.47</b>
<b>Other comprehensive income (OCI)</b>			
i) Items that will not be reclassified to profit or loss:			
a) Remeasurement of defined employee benefit plans		31.16	(38.46)
b) Income tax on items that will not be reclassified to the profit or loss		(7.84)	11.20
<b>Total other comprehensive income/ (loss)</b>		<b>23.32</b>	<b>(27.26)</b>
<b>Total comprehensive income for the year</b>		<b>942.34</b>	<b>500.21</b>
Earnings per equity share (nominal value of share Rs.10 each)			
	32		
i) Basic		89.22	53.17
ii) Diluted		88.36	52.64

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

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

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

**Balaji M N**  
Partner

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

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

Place : Bengaluru  
Date : June 17, 2021

**Srikanth Shenoy**  
Chief Financial Officer

**Swathishree K.R**  
Company Secretary  
Membership No.A48365

# Standalone Statement of Cash Flow

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flow from operating activities</b>		
Profit before tax for the year	1,101.20	718.68
Adjustments for:		
Depreciation and amortisation expense	1,038.06	1,135.81
Interest income	(144.12)	(18.26)
Dividend income	(0.20)	(0.14)
(Profit) on sale/ write off of fixed assets	(8.65)	-
Trade receivables written off	-	35.71
Loss on assets written off	13.02	0.03
(Profit) / Loss on fair valuation of Investment	(20.49)	4.69
Finance costs	352.74	433.42
<b>Operating profit before working capital changes</b>	<b>2,331.56</b>	<b>2,309.94</b>
Movements in working capital :		
Increase in trade payables	607.69	1,384.77
Increase in other long term liabilities	-	1.09
(Decrease) / increase in other current liabilities	(20.53)	74.14
(Increase) / decrease in trade receivables	(1,205.24)	168.79
Decrease / (increase) in inventories	510.45	(566.39)
(Increase) in non-current loans	(957.97)	(553.60)
(Increase) in current loans	(818.32)	(6.09)
(Increase) / decrease in other assets	(5.56)	318.15
(Decrease) / increase in non-current provisions	(36.45)	30.09
(Decrease) / increase in current provisions	(35.43)	41.64
<b>Cash generated from operations</b>	<b>370.20</b>	<b>3,202.53</b>
Direct taxes paid (net of refunds)	(40.56)	(327.66)
<b>Net cash flow from operating activities (A)</b>	<b>329.64</b>	<b>2,874.87</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment, including CWIP and capital advances	(1,785.78)	(778.07)
Proceeds from sale of property, plant & equipment	12.46	0.00
Investment in subsidiaries	-	(9.03)
Interest received	55.52	18.26
Dividends received	0.20	0.14
<b>Net cash flow used in investing activities (B)</b>	<b>(1,717.60)</b>	<b>(768.69)</b>
<b>Cash flows from financing activities</b>		
Proceeds from non-current borrowings	1,400.00	-
Repayment of non-current borrowings	(205.84)	(320.03)
Proceeds from / (repayment of) current borrowings	611.29	(603.11)
Disbursements of Loan to related party	-	(215.00)
(Increase) / decrease in other bank balances (not considered as cash and cash equivalents)		
Interest paid	(355.17)	(437.94)
Payment of principal portion of lease liabilities	(17.19)	(17.13)
Payment of interest portion of lease liabilities	(2.43)	(3.69)
Proceeds from issue of equity shares	-	329.38
Dividends paid on equity shares	-	(268.55)
Tax on equity dividend paid	-	(54.71)
<b>Net cash flow used in in financing activities (C)</b>	<b>1,430.66</b>	<b>(1,590.79)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>42.70</b>	<b>515.39</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>610.74</b>	<b>95.35</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>653.44</b>	<b>610.74</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	3.61	3.33
With banks - on current account	649.83	607.41
<b>Total cash and cash equivalents</b>	<b>653.44</b>	<b>610.74</b>



## Reconciliation of liabilities from financing activities

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	As at March 31, 2020	Proceeds/ impact of Ind AS 116	Repayment	Fair value changes	As at March 31, 2021
Long-term borrowings (including current portion)	555.59	1,400.00	205.84	-	1,749.75
Lease liabilities	19.75	17.19	-	-	2.56

Particulars	As at March 31, 2019	Proceeds/ impact of Ind AS 116	Repayment	Fair value changes	As at March 31, 2020
Long-term borrowings (including current portion)	1355.62	-	800.03	-	555.59
Lease liabilities	-	36.89	-	17.14	19.75

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

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Balaji M N**  
Partner

Place : Bengaluru  
Date : June 17, 2021

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

**Swathishree K.R**  
Company Secretary  
Membership No.A48365

# Standalone Statement of changes in equity

during the year ended March 31, 2021

## a) Equity share capital

(₹ in Lakhs)

Particulars	Amount
<b>Balance as at April 1, 2019</b>	99.00
Changes during the year	-
Add: Issue of equity shares (Refer Note 13)	4.00
<b>Balance as at March 31, 2020</b>	<b>103.00</b>
Changes during the year	-
Add: Issue of equity shares	-
<b>Balance as at March 31, 2021</b>	<b>103.00</b>

## a) Other Equity

(₹ in Lakhs)

	Reserves and surplus			Equity share warrants	Total
	Securities premium	General reserve	Retained earnings		
<b>As at April 1, 2019</b>	<b>149.40</b>	<b>4,859.34</b>	<b>2,127.64</b>	-	<b>7,136.38</b>
Profit for the year	-	-	527.47	-	527.47
Other comprehensive income (loss) net of tax	-	-	(27.26)	-	(27.26)
Amount received on issue of equity shares	306.00	-	-	-	306.00
Amount received on issue of equity share warrants	-	-	-	19.38	19.38
Dividend proposed and paid	-	-	(267.31)	-	(267.32)
Tax impact on dividend paid	-	-	(54.71)	-	(54.71)
<b>As at March 31, 2020</b>	<b>455.40</b>	<b>4,859.34</b>	<b>2,305.83</b>	<b>19.38</b>	<b>7,639.94</b>
Profit for the year	-	-	919.02	-	919.02
Other comprehensive income (loss) net of tax	-	-	23.32	-	23.32
Amount received on issue of equity shares	-	-	-	-	-
Amount received on issue of equity share warrants	-	-	-	-	-
Dividend proposed and paid	-	-	-	-	-
Tax impact on dividend paid	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>455.40</b>	<b>4,859.34</b>	<b>3,248.16</b>	<b>19.38</b>	<b>8,582.28</b>

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

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

**Balaji M N**  
Partner

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

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

Place : Bengaluru  
Date : June 17, 2021

**Srikanth Shenoy**  
Chief Financial Officer

**Swathishree K.R**  
Company Secretary  
Membership No.A48365



# Notes

forming part of standalone 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

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The Company has consistently applied accounting policies to all periods.

### 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. The Company has considered internal and certain external sources of information including credit reports, industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The eventual outcome of impact of the any pandemic may be different from those estimated as on the date of approval of these financial statements. 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 useful lives of property, plant and

# Notes

## forming part of standalone financial statements

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 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 based on the consideration specified in a contract with a customer. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

#### *Sale of goods*

Revenue is recognized when control over the goods have been transferred to the buyer, and when the amount of revenue can be measured reliably. Amounts disclosed as revenue are net of returns, trade allowances, rebates, and value added items.

The Company has applied the guidance in Ind AS 115, 'Revenue from Contracts with Customers', by applying the revenue recognition criteria for each of the distinct performance obligation. The arrangements generally meet the criteria for considering sale of goods as distinct performance obligation. For allocating the consideration, the Company has measured the revenue in respect of

distinct performance obligation at its standalone selling price, in accordance with principles given in Ind AS 115.

#### *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

The Company's lease asset classes primarily consist of leases for warehouses/offices located across locations. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.



# Notes

## forming part of standalone financial statements

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognizes the lease payments associated with these leases as an expense over the lease term.

### 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 recognized 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 recognized 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 recognized in the 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.

#### Defined contribution plan

Contribution to defined contribution plans are recognized 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 recognized 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.

# Notes

forming part of standalone financial statements

## 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 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



# Notes

## forming part of standalone financial statements

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

### 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

### 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 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 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 first in first out basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

# Notes

forming part of standalone financial statements

## 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.

#### 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



# Notes

## forming part of standalone financial statements

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 statement of 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 Dividend and dividend distribution tax

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The Company declares and pays dividends in Indian rupees and are subject to applicable distribution taxes. The applicable distribution taxes are treated as an appropriation of profits.

# Notes

forming part of standalone financial statements

3. a) Property, plant & equipment										
(₹ in Lakhs)										
b) Intangible assets										
Deemed cost	Land	Buildings	Plant and machinery	Computer equipment	Office equipment	Vehicles	Furniture & fixtures	Total	Software	Total
At April 1, 2019	150.37	2,964.30	5,975.96	29.93	31.47	35.49	92.69	9,280.21	110.14	110.14
Additions	-	78.09	265.75	3.67	35.80	25.55	11.57	420.43	1.71	1.71
Disposals / adjustments	-	-	0.61	-	4.10	-	-	4.71	-	-
At March 31, 2020	150.37	3,042.39	6,241.10	33.60	63.17	61.04	104.26	9,695.93	111.85	111.85
Additions	-	23.55	554.08	8.88	4.47	-	1.18	592.16	-	-
Disposals / adjustments	-	15.42	73.66	-	-	-	-	89.08	-	-
At March 31, 2021	150.37	3,050.52	6,721.52	42.48	67.64	61.04	105.44	10,199.00	111.85	111.85
Accumulated depreciation / amortization	Land	Buildings	Plant and machinery	Computer equipment	Office equipment	Vehicles	Furniture & fixtures	Total	Software	Total
At April 1, 2019	-	416.64	2,410.28	19.94	14.96	16.24	51.88	2,929.94	52.06	52.06
Charge for the year	-	146.48	913.45	6.01	7.05	6.93	12.74	1,092.66	21.41	21.41
Eliminated on disposal / write-off of assets	-	-	0.58	-	4.10	-	-	4.68	-	-
At March 31, 2020	-	563.12	3,323.15	25.95	17.91	23.17	64.62	4,017.92	73.47	73.47
Charge for the year	-	149.15	817.31	4.68	9.03	8.61	10.22	999.00	19.87	19.87
Eliminated on disposal / write-off of assets	-	3.79	69.85	-	-	-	-	73.64	-	-
At March 31, 2021	-	708.48	4,070.61	30.63	26.94	31.78	74.84	4,943.28	93.34	93.34
Carrying value	Land	Buildings	Plant and machinery	Computer equipment	Office equipment	Vehicles	Furniture & fixtures	Total	Software	Total
At March 31, 2021	150.37	2,342.04	2,650.91	11.85	40.70	29.25	30.59	5,255.71	18.51	18.51
At March 31, 2020	150.37	2,479.27	2,917.95	7.65	45.26	37.86	39.63	5,678.01	38.38	38.38



# Notes

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## 4a Capital work-in-progress

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Plant & machinery	67.73	127.46
Buildings	200.61	185.02
Others	8.49	2.74
	<b>276.83</b>	<b>315.22</b>

## 4b Right-of-use assets

	Amount
<b>Gross carrying value</b>	
<b>At April 1, 2019</b>	
Impact of adoption of Ind AS 116	36.89
Additions	
Disposals / adjustments	
<b>At March 31, 2020</b>	<b>36.89</b>
Additions	-
Disposals / adjustments	-
<b>At March 31, 2021</b>	<b>36.89</b>
<b>Accumulated depreciation / amortization</b>	
<b>At April 1, 2019</b>	
Impact of adoption of Ind AS 116	
Charge for the year	20.90
Eliminated on the disposal / write-off of assets	
<b>At March 31, 2020</b>	<b>20.90</b>
Charge for the year	11.29
Eliminated on the disposal / write-off of assets	
<b>At March 31, 2021</b>	<b>32.19</b>
<b>Net carrying value as at March 31, 2021</b>	<b>4.70</b>
<b>Net carrying value as at March 31, 2020</b>	<b>15.99</b>

## 5. Investments

### Non-current investments

(₹ in Lakhs)

Name of the Company	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>A. At fair value through Profit &amp; Loss</b>				
<b>(i) Quoted investments</b>				
<b>Investments in equity instruments</b>				
Apollo Tyres Limited	500	1.12	500	0.42
T.V.S. Srichakra Tyre Limited	100	1.78	100	0.89
MRF Limited	50	41.13	50	29.12
J.K.Tyre & Industries Limited	300	0.33	300	0.12
Ceat Limited	37	0.58	37	0.29
Goodyear India Limited	200	1.78	200	1.21
Govind Rubber Limited	200	0.01	200	0.00
Modi Rubber Limited	50	0.05	50	0.01
ICICI Bank Limited	2,244	13.06	2,244	7.28

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(₹ in Lakhs)

Name of the Company	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Bengal & Assam Company Limited	5	0.07	5	0.06
J.K.Aagri Genetics Limited	3	0.02	3	0.01
Summit Securities Limited	2	0.01	2	0.01
Dhampur Sugar Mills Limited	1	-	1	0.00
Florence Investech Limited	-	-	-	-
<b>Total quoted investments</b>	<b>3,692</b>	<b>59.94</b>	<b>3,692</b>	<b>39.42</b>
<b>(ii) Unquoted investments</b>				
<b>Investment in equity instruments</b>				
<b>Investment in wholly owned subsidiaries</b>				
Triton Valves Hong Kong Limited	10,000	7.03	10,000	7.03
TritonValves Future Tech Private Limited	10,000	1.00	10,000	1.00
TritonValves Climatech Private Limited	10,000	1.00	10,000	1.00
<b>Others</b>				
Dewan Tyres Limited *	100	-	100	-
Bombay Tyres International Limited *	50	-	50	-
Dunlop India Limited *	100	-	100	-
<b>Total unquoted investments</b>	<b>250</b>	<b>9.03</b>	<b>250</b>	<b>9.03</b>
<b>(iii) Deemed Investments **</b>				
TritonValves Future Tech Private Limited		60.33		-
TritonValves Climatech Private Limited		28.26		-
		<b>88.59</b>		<b>-</b>
Aggregate amount of quoted investments (i)		59.94		39.42
Aggregate amount of unquoted investments (ii)		9.03		9.03
<b>Total</b>		<b>157.56</b>		<b>48.45</b>

\* The figures are as per the rounding off norms adopted by the Company.

\*\* Note:-1 In terms of the agreement, the Company has provided a loan to subsidiaries, interest free upto Feb 1, 2021 being the date of commencement of commercial operations of the subsidiaries. The interest on the loans from the disbursement of the loan upto January 31, 2021 has been computed based on the market rates of interest and the interest amounting to Rs.60.33 lakhs in respect of TritonValves FutureTech Private Limited and Rs. 28.26 lakhs in respect of TritonValves Climatech Private Limited have been considered as deemed investment in Note 5 – investments in accordance with Ind AS-109 on Financial Instruments.

(₹ in Lakhs)

6 Investment property	As at	As at
	March 31, 2021	March 31, 2020
<b>Deemed cost</b>		
At the beginning of the year	36.78	36.78
Additions	1,362.43	-
Disposals / adjustments	-	-
<b>At the end of the year</b>	<b>1,399.21</b>	<b>36.78</b>
<b>Accumulated depreciation</b>		
At the beginning of the year	3.36	2.52
Charge for the year	8.05	0.84
<b>At the end of the year</b>	<b>11.41</b>	<b>3.36</b>
<b>Net block</b>	<b>1,387.80</b>	<b>33.42</b>



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## Fair value of investment property

The fair value of investment property as at March 31, 2021 and March 31, 2020 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 is 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.

The fair value of building as at March 31, 2021 has been arrived at, on the basis of valuation carried out as on the respective dates by M/s H.T.Vasudev., independent valuer not related to the company. M/s H.T.Vasudev 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 building is in Mysore, 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, 2021 and March 31, 2020 are:

(₹ in Lakhs)

Investment property	As at March 31, 2021	As at March 31, 2020
a) Residential Property located at Bangalore / Level of Hierarchy	Level 2	Level 2
b) Carrying value	34.05	34.05
c) Fair value	201.00	210.75
Building located at Mysore / Level of Hierarchy	Level 2	Level 2
a) Carrying value	1,355.21	-
b) Fair value	1,406.68	-

(₹ in Lakhs)

7 Loans	As at March 31, 2021	As at March 31, 2020
<b>a. Non-current</b>		
Unsecured, considered good		
i) Security deposits	74.68	72.64
ii) Advances to related party (Refer Note 37)	1,509.53	553.60
<b>Total</b>	<b>1,584.21</b>	<b>626.24</b>
<b>b. Current</b>		
Unsecured, considered good		
i) Security deposits	10.00	10.00
ii) Others - Loans and advances to employees	13.41	18.16
iii) Advances to related party (Refer Note 37)	823.07	-
<b>Total</b>	<b>846.48</b>	<b>28.16</b>

(₹ in Lakhs)

8 Other assets	As at March 31, 2021	As at March 31, 2020
Other assets consists of the following		
<b>a. Non-current</b>		
i) Capital advances (unsecured, considered good)	237.82	368.24
<b>TOTAL</b>	<b>237.82</b>	<b>368.24</b>
<b>b. Current</b>		
i) Advances to suppliers	13.76	85.85
ii) Prepaid expense	54.05	54.33
iii) Balance with government / statutory authorities	51.79	10.80
iv) Others	91.87	54.93
<b>Total</b>	<b>211.47</b>	<b>205.91</b>

# Notes

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		(₹ in Lakhs)	
9 Inventories	As at	As at	
	March 31, 2021	March 31, 2020	
<b>Valued at lower of cost and net realizable value</b>			
Raw materials *	1,299.46	1,655.92	
Work-in-progress	739.81	810.36	
Finished goods **	421.80	533.22	
Packing materials	22.53	16.85	
Stores and spares	520.36	498.06	
<b>TOTAL</b>	<b>3,003.96</b>	<b>3,514.41</b>	
* Includes goods-in-transit	11.15	-	
** Includes goods-in-transit	122.91	126.23	

		(₹ in Lakhs)	
10 Trade receivables	As at	As at	
	March 31, 2021	March 31, 2020	
Secured, considered good	-	-	
Unsecured, considered good	4,691.60	3,486.36	
Trade receivable which have significant increase in credit risk	180.00	180.00	
<b>TOTAL</b>	<b>4,871.60</b>	<b>3,666.36</b>	
Less: Allowance for expected credit loss	180.00	180.00	
<b>Total</b>	<b>4,691.60</b>	<b>3,486.36</b>	

<b>Movement in the expected credit loss allowance</b>			
Particulars	As at	As at	
	March 31, 2021	March 31, 2020	
Balance at the beginning of the period	180.00	180.00	
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	-	
Extra provision provided	-	-	
<b>Provision at the end of the period</b>	<b>180.00</b>	<b>180.00</b>	

		(₹ in Lakhs)	
11 Cash and bank balances	As at	As at	
	March 31, 2021	March 31, 2020	
<b>a. Cash and cash equivalents</b>			
Balances with banks	649.83	607.41	
Cash on hand	3.61	3.33	
<b>TOTAL</b>	<b>653.44</b>	<b>610.74</b>	
<b>b. Other bank balance</b>			
Unpaid dividend accounts	12.24	11.03	
<b>Total</b>	<b>12.24</b>	<b>11.03</b>	

		(₹ in Lakhs)	
12 Current tax assets (net)	As at	As at	
	March 31, 2021	March 31, 2020	
Advance Income-tax (net off provision for taxation) (refer note below)	597.79	682.31	
Less : Income tax for the year	(318.12)	(206.74)	
<b>TOTAL</b>	<b>279.67</b>	<b>475.58</b>	
<b>Note:</b>			
Advance Income tax paid	1,034.43	1,623.53	
Less: Provision for tax	(754.76)	(1,147.96)	
<b>Total</b>	<b>279.67</b>	<b>475.58</b>	



# Notes

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(₹ in Lakhs)

13 Share Capital	As at March 31, 2021	As at March 31, 2020
<b>a) Authorized shares (Nos.)</b>	500.00	500.00
50,00,000 (March 31, 2020 : 50,00,000) Equity shares of Rs.10 each		
<b>b) Issued, subscribed and fully paid-up shares (Nos.)</b>	103.00	103.00
10,30,027 (March 31, 2020 : 9,90,027) Equity shares of Rs.10 each fully paid up		
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>103.00</b>	<b>103.00</b>

### c) Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at March 31, 2021		As at March 31, 2020	
	Nos.	Amount	Nos.	Amount
<b>Equity shares</b>				
At the beginning of the year	10,30,027	103.00	9,90,027	99.00
Add: Issue of equity shares under Preferential Allotment(Note-f)			40,000	4.00
<b>Outstanding at the end of the year</b>	<b>10,30,027</b>	<b>103.00</b>	<b>10,30,027</b>	<b>103.00</b>

### 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.
- iii. The dividend for the year ended March 31, 2021, declared by the Board of Directors is Rs 20 per equity share. This will result in a cash outflow of Rs 206 Lakhs including TDS during the Financial year ended 2021-22.

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

	As at March 31, 2021		% Change during the year	As at March 31, 2020	
	Nos.	Amount		Nos.	Amount
<b>Equity shares of Rs.10/- each fully paid</b>					
Mrs. Anuradha Maruti Gokarn	3,20,041	31.1%	-1.3%	3,20,041	32.33%
Mrs. Nirmala Murthy	1,12,506	10.9%	-0.4%	1,12,506	11.36%
Mr. K Raghunath Shenoy	54,000	5.2%	-0.2%	54,000	5.45%

### f) Preferential allotment of equity shares

The Board of Directors and the Shareholders, in their meetings held on December 11, 2019 and January 22, 2020 respectively, approved issuance of 40,000 equity shares (of face value of Rs.10 each) on preferential basis to Mrs. Anuradha M. Gokarn in accordance with Section 42 and 62(1)(c) of the Companies Act, 2013 read with Chapter V of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018. Consequently, the Company allotted 40,000 equity shares of Rs.10 each at an issue price of Rs.775 subscribed by the said Investor on March 13, 2020. Upon the aforesaid allotment, the Company's paid up capital stands increased to 1,030,027 equity shares of Rs.10 each.

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(₹ in Lakhs)

14 Other Equity	As at March 31, 2021	As at March 31, 2020
<b>Securities premium</b>		
Amounts received on issue of shares in excess of the par value has been classified as securities premium, net of utilisation		
Balance at the beginning of the year	455.40	149.40
Add: Amount received on exercise of Preferential Allotment	-	306.00
Closing balance	<b>455.40</b>	<b>455.40</b>
<b>General reserve</b>		
This represents appropriation of profit by the Company.		
Balance at the beginning of the year	4,859.34	4,859.34
Add: Transfer from the Statement of Profit & Loss	-	-
Closing balance	<b>4,859.34</b>	<b>4,859.34</b>
<b>Share warrants</b>		
The balance represents part amount received against share warrants and pending conversion to equity shares allotted to Mr. Aditya Gokarn pursuant to approval given by the Board and shareholders of the Company. The amount represents 25% of 10,000 warrants convertible into an equity share of Rs.10 each		
Balance at the beginning of the year	19.38	-
Add: Transfer from the Statement of Profit & Loss	-	19.38
Closing balance	<b>19.38</b>	<b>19.38</b>
<b>Retained earnings</b>		
Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity shareholders.		
	<b>3,248.16</b>	<b>2,305.82</b>
<b>TOTAL</b>	<b>8,582.28</b>	<b>7,639.94</b>

15 Borrowings	As at March 31, 2021	As at March 31, 2020
<b>Non-current: At amortised cost</b>		
<b>Term loans (secured)</b>		
From banks (Refer Note (i) below)	1,063.00	84.74
<b>Loans from the related parties (Unsecured)</b>		
Loan from Director (Refer note (ii) below)	435.00	265.00
<b>TOTAL</b>	<b>1,498.00</b>	<b>349.74</b>

i. Term loans from banks:

- a) Term loan-I from HDFC Bank carrying interest rate @ 11.25% p.a. to 8.45% p.a (for March 31, 2020 and March 31, 2021) repayable in 59 equated monthly instalments beginning from March 2017.
- b) Term loan-II from HDFC Bank carrying interest rate @ 8.50% p.a (for March 31, 2021), repayable in 48 equated monthly instalments beginning from June 2021.
- c) Term loan-III from HDFC Bank carrying interest rate @ 8.00% p.a (for March 31, 2021), repayable in 48 equated monthly instalments beginning from March 2022.
  - i) 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
  - ii) 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,



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- iii) by way of Second pari passu charge, on hypothecation of Company's entire current assets including stocks of raw material, semi finished goods and finished goods, consumable stores and spares and such other movables, book debts, bills whether documentary, or clean, outstanding monies, receivables, both present and future,
  - iv) further secured by personal guarantee of the Managing Director for entire loan.
- ii. Loan from Director : It carries an Interest @ 9.70% to 8.00% (for April 1, 2020 to March 31, 2021).

(₹ in Lakhs)

16 Lease liabilities	As at March 31, 2021	As at March 31, 2020
a) Non current	1.09	1.09
<b>TOTAL</b>	<b>1.09</b>	<b>1.09</b>
b) Current	1.47	18.66
<b>Total</b>	<b>1.47</b>	<b>18.66</b>

(₹ in Lakhs)

17 Provisions	As at March 31, 2021	As at March 31, 2020
a) Non current		
Employee benefits		
Provision for gratuity (Refer note 39)	112.76	180.37
<b>TOTAL</b>	<b>112.76</b>	<b>180.37</b>
b) Current		
Employee benefits (refer note (i) below)		
Provision for gratuity (Refer note 39)	43.52	52.08
Provision for leave benefits	24.85	51.72
<b>Total</b>	<b>68.37</b>	<b>103.80</b>

**Note (i):** The provisions for employee benefits include annual leave and vested long service leave entitlements accrued. For disclosures, refer note no. 39

(₹ in Lakhs)

18 Deferred tax balances	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	116.96	173.59
Deferred tax liabilities	153.50	257.30
<b>Deferred tax liabilities (net)</b>	<b>36.54</b>	<b>83.71</b>
<b>Deferred tax liabilities (net)</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Deferred tax liability</b>		
a) Depreciation and amortisation	152.96	257.30
b) Right to use assets	0.54	-
<b>Gross deferred tax liability</b>	<b>153.50</b>	<b>257.30</b>
<b>Deferred tax asset</b>		
a) Provision towards employee benefits	71.66	120.10
b) Provision for doubtful debts	45.30	52.42
c) Mat credit entitlement	-	-
d) Right to use assets	-	1.07
<b>Gross deferred tax asset</b>	<b>116.96</b>	<b>173.59</b>
<b>Net deferred tax liability</b>	<b>36.54</b>	<b>83.71</b>

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(₹ in Lakhs)

19 Current borrowings	As at March 31, 2021	As at March 31, 2020
<b>Secured - at amortised cost</b>		
Loans repayable on demand		
Cash credit from banks (Refer Note (i) below)	4,389.63	3,778.34
<b>Total</b>	<b>4,389.63</b>	<b>3,778.34</b>

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

- a) It carries interest rate @ 10.50% - 7.50 % p.a (for March 31, 2021) and are repayable on demand Cash credit from bank is secured
- i) 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,
  - ii) 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,
  - iii) by way of second paripassu charge, on equitable mortgage of Land and Building at Belavadi Industrial and Hebbal Industrial area, Mysore, Company's registered Office and Company Flat at Bangalore,
  - iv) by way of further secured by personal guarantee of the Managing Director for the entire loan amount.

(₹ in Lakhs)

20 Trade payables	As at March 31, 2021	As at March 31, 2020
(a) Total outstanding dues of Micro and Small Enterprises (Refer Note 35)	3.50	3.18
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	3,507.67	2,900.30
<b>Total</b>	<b>3,511.17</b>	<b>2,903.48</b>

(₹ in Lakhs)

21 Other financial liabilities	As at March 31, 2021	As at March 31, 2020
Current maturities of long term debts	251.75	205.85
Unpaid dividend	12.19	10.98
Dealer deposits	2.60	2.60
Rental deposits	3.50	3.50
Other payable	-	25.45
<b>Total</b>	<b>270.04</b>	<b>248.38</b>

(₹ in Lakhs)

22 Other current liabilities	As at March 31, 2021	As at March 31, 2020
Statutory dues	47.65	45.63
<b>Total</b>	<b>47.65</b>	<b>45.63</b>

(₹ in Lakhs)

23 Revenue from operations	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products	18,070.32	17,164.75
Other operating Income	5,244.36	4,202.72
<b>Total</b>	<b>23,314.68</b>	<b>21,367.47</b>



# Notes

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		(₹ in Lakhs)	
24 Other income	For the year ended March 31, 2021	For the year ended March 31, 2020	
<b>a) Interest income</b>			
Other financial assets carried at amortised cost	34.08	18.26	
Interest on IT refund	21.44	-	
Interest on Advances/loans to subsidiaries (Refer Note 5)	88.60	-	
<b>b) Dividend income</b>			
Dividend from equity instruments	0.20	0.14	
<b>c) Other non-operating income</b>			
Rental income	19.22	5.17	
Export incentives	30.15	18.88	
Others	0.08	7.56	
<b>d) Other gains and losses</b>			
Net foreign exchange gains	77.34	42.26	
Gain on disposal of property, plant and equipment	8.65	-	
Net profit on financial assets mandatorily carried at fair value	20.49	-	
<b>Total</b>	<b>300.25</b>	<b>92.27</b>	

		(₹ in Lakhs)	
25 Cost of material consumed	For the year ended March 31, 2021	For the year ended March 31, 2020	
Opening stock	1,655.92	1,174.30	
Add: Purchases during the year	14,880.72	14,121.07	
Less: Closing stock	1,299.46	1,642.90	
<b>Total</b>	<b>15,237.18</b>	<b>13,652.47</b>	

		(₹ in Lakhs)	
26 Change in inventories of finished goods and work-in-progress	For the year ended March 31, 2021	For the year ended March 31, 2020	
Inventories at the end of the year			
Work-in-progress	739.81	810.36	
Finished goods	421.80	533.22	
	<b>1,161.61</b>	<b>1,343.58</b>	
Inventories at the beginning of the year			
Work-in-progress	810.36	626.22	
Finished goods	533.22	560.54	
	<b>1,343.58</b>	<b>1,186.76</b>	
<b>Total</b>	<b>181.97</b>	<b>(156.82)</b>	

		(₹ in Lakhs)	
27 Employee benefits expense	For the year ended March 31, 2021	For the year ended March 31, 2020	
Salaries, wages and bonus	2,671.37	2,648.31	
Contribution to provident and other funds (Refer Note :- 39)	110.15	110.01	
Staff welfare expenses	170.59	171.66	
<b>Total</b>	<b>2,952.11</b>	<b>2,929.98</b>	

# Notes

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28 Finance costs	(₹ in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on cash credit and term loans	319.28	382.67
Interest expenses on lease liability	2.43	3.69
Interest on loans from related party (Refer Note :- 37)	31.03	47.06
<b>Total</b>	<b>352.74</b>	<b>433.42</b>

29 Depreciation and amortization expense	(₹ in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of tangible assets	998.85	1,092.66
Amortization of intangible assets	19.87	21.41
Amortization of Right to use asset	11.29	20.90
Depreciation on investment properties	8.05	0.84
<b>Total</b>	<b>1,038.06</b>	<b>1,135.81</b>

30 Other expenses	(₹ in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Electricity and water charges	391.04	404.02
Job work charges	183.07	167.13
Transportation charges	95.68	70.88
Rent	11.68	4.09
Rates and taxes	8.89	24.70
Insurance	59.93	38.70
Repairs and maintenance	-	-
Plant and machinery	48.80	24.00
Buildings	7.29	24.60
Vehicle	8.59	6.93
Others	42.40	51.74
Advertising and sales promotion	38.72	51.65
Travelling and conveyance	32.52	145.98
Communication costs	15.77	18.82
Printing and stationery	19.92	31.75
Legal and professional fees	101.09	125.60
Directors' sitting fees	10.50	13.00
Directors' commission	12.06	8.89
Payment to statutory auditor (Refer note (i) below)	18.59	18.30
Watch and ward expense	51.73	54.86
Packing and forwarding	643.47	519.64
Stores and spares consumed	831.11	765.29
Donation	-	3.15
CSR expenditure (Refer note 36)	9.94	2.51
Net loss on financial assets mandatorily carried at fair value	-	4.69
Loss arising on derecognition of financial assets	-	35.71
Loss on assets written off	13.02	0.03
Miscellaneous expenses	95.86	129.54
<b>Total</b>	<b>2,751.67</b>	<b>2,746.20</b>



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(₹ in Lakhs)

(i) Payment to statutory auditor	For the year ended March 31, 2021	For the year ended March 31, 2020
As Auditor:		
- Statutory audit fee	16.00	16.00
- Other services	1.50	2.30
- Reimbursement of expenses	1.09	-
<b>Total</b>	<b>18.59</b>	<b>18.30</b>

## 31 Tax expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>a) Current income tax</b>		
In respect of current year	318.12	294.25
<b>b) Deferred tax</b>		
In respect of current year	(55.01)	(103.04)
<b>TOTAL</b>	<b>263.11</b>	<b>191.21</b>

### c) Tax reconciliation

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax as per statement of profit and loss	1,101.20	718.68
Income tax calculated at 25.17% (Previous year - 29.12%)	277.15	209.28
Effect of Section 35 (2AB) claim for Revenue expenses	-	(34.32)
Effect of Section 35 (2AB) claim for Capital expenses	-	(4.09)
Disallowance of CSR expenses & Deemed Income on Investments	(19.80)	1.65
Effect on deferred tax balances due to the change in income tax		9.25
Others	5.76	9.44
<b>Income tax recognised in Statement of Profit and Loss</b>	<b>263.11</b>	<b>191.21</b>

### d) Significant components of net deferred tax assets and liabilities as at March 31, 2021 are as follows

Particulars	Opening balance	Recognised in Profit and Loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets/(liabilities) in relation to				
a) Depreciation and amortization	(257.30)	(104.34)	-	(152.96)
b) Provision for employee benefits	120.10	40.60	7.84	71.66
c) Provision for doubtful debts	52.42	7.12	-	45.30
d) Forward components of forward contract	-	-	-	-
e) Right to use assets	1.07	1.61	-	(0.54)
<b>Total</b>	<b>(83.71)</b>	<b>(55.01)</b>	<b>7.84</b>	<b>(36.54)</b>

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## d) Significant components of net deferred tax assets and liabilities as at March 31, 2020 are as follows

Particulars	Opening balance	Recognised in Profit and Loss	Recognised in other comprehensive income	(₹ in Lakhs)
				Closing balance
Deferred tax assets/(liabilities) in relation to				
a) Depreciation and amortization	(314.00)	56.70	-	(257.30)
b) Provision for employee benefits	67.00	41.90	11.20	120.10
c) Provision for doubtful debts	50.00	2.42	-	52.42
d) Forward components of forward contract	(0.94)	0.94	-	-
e) Right to use assets	-	1.07	-	1.07
f) MAT credit entitlement	87.51	(87.51)	-	-
<b>Total</b>	<b>(110.43)</b>	<b>15.52</b>	<b>11.20</b>	<b>(83.71)</b>

## 32 Earnings per share (EPS)

Particulars	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
Profit attributable to equity share holders (Rs. in lakhs)	919.02	527.47
Number of shares outstanding (Numbers in lakhs)	103.00	103.00
Weighted average number of shares outstanding (Numbers in lakhs)	103.00	9.92
Nominal value of shares (Rs.)	10	10
Basic earnings per share (Rs.)	89.22	53.17
Diluted earnings per share (Rs.)	88.36	52.64

## 33 Contingent liabilities

Particulars	As at	As at
	March 31, 2021	March 31, 2020
(₹ in Lakhs)		
a) Claims against the company not acknowledged as debt		
i. Disputed income tax demands, pending in appeal	-	23.27
b) Guarantees excluding financial guarantees		
i. Bank guarantee	81.97	81.97
ii. Standby letter of credit outstanding/ Letter of Credit	1,961.79	2,019.77
<b>Total</b>	<b>2,043.76</b>	<b>2,125.01</b>

### Notes

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

## 34 Commitments

Particulars	As at	As at
	March 31, 2021	March 31, 2020
(₹ in Lakhs)		
<b>Other commitments</b>		
Commitments for acquisition of property, plant and equipment	24.43	70.04
Investment in subsidiaries	-	-
<b>Total</b>	<b>24.43</b>	<b>70.04</b>



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## 35 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, 2021. Further, no interest during the year has been paid or payable under the terms of the MSMED Act 2006.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;	3.50	3.18
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.	-	-

## 36 Corporate Social Responsibility (CSR)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross amount required to be spent by the Company during the year as per Section 135 of the Act	13.41	-
Amount spent during the year	9.94	2.51

## 37 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
Triton Valves Hong Kong Limited	Wholly owned subsidiary (WOS)
*TritonValves Future Tech Private Limited	Wholly owned subsidiary (WOS)
*TritonValves Climatech Private Limited	Wholly owned subsidiary (WOS)
Aditya M. Gokarn	Key management personnel (KMP)
Shrikant Kamalakant Welling	Director
Anuradha M. Gokarn	Director
Bhaskar Ramachandra Pai	Director
Tamhant Jain	Director
Prashant Nayak	Director
Srikanth Shenoy	Key management personnel (KMP)
Swathishree.KR (w.e.f. November 29, 2019)	Key management personnel (KMP)
Apoorva G (Upto November 28, 2019)	Key management personnel (KMP)

#### Notes:

- (i) 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
- (ii) There are no amounts written-off/written back or provided for during the year in respect of debts due from/to related parties.

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## B) Related party transactions and balances outstanding

(₹ in Lakhs)

### Related party transactions during the year ended March 31, 2021 and balances outstanding as at March 31, 2021

Nature of transactions	WOS	KMP	Director
<b>Sale of Products</b>			
Triton Valves Hong Kong Limited	409.82	-	-
TritonValves FutureTech Private Limited	444.21	-	-
TritonValves Climatech Private Limited	14.61	-	-
<b>Purchases</b>			
Triton Valves Hong Kong Limited	5,687.01	-	-
TritonValves FutureTech Private Limited	525.91	-	-
TritonValves Climatech Private Limited	15.93	-	-
<b>Interest Received</b>			
TritonValves FutureTech Private Limited	20.07	-	-
TritonValves Climatech Private Limited	0.87	-	-
<b>Deemed Interest Income</b>			
TritonValves FutureTech Private Limited	60.33	-	-
TritonValves Climatech Private Limited	28.26	-	-
<b>Rent received</b>			
TritonValves FutureTech Private Limited	13.95	-	-
Director	-	-	5.27
Interest paid	-	-	31.03
Sitting fee	-	-	10.50
Commission paid	-	-	12.06
<b>Managerial remuneration</b>			
Short-term benefits	-	162.48	-
<b>Balance outstanding</b>			
Investment	9.03	-	-
Advance given	2,332.60	-	-
Receivable	425.33	-	-
Loan Payable	-	-	435.00
Payable	1,247.48	-	-
<b>Contingent liabilities</b>			
Standby letter of credit	1,961.79	-	-

### Related party transactions during the year ended March 31, 2020 and balances outstanding as at March 31, 2020

Nature of transactions	WOS	KMP	Director
<b>Sale of Products</b>			
Triton Valves Hong Kong Limited	903.53	-	-
<b>Purchases</b>			
Triton Valves Hong Kong Limited	3,942.13	-	-
Interest paid	-	-	47.06
Sitting fee	-	-	13.00
Commission paid	-	-	8.89
Rent received	-	-	5.17
<b>Managerial remuneration</b>			
Short-term benefits	-	179.97	-
<b>Balance outstanding</b>			
Investment	9.03	-	-
Advance given	553.60	-	-
Receivable	143.08	-	-
Loan Payable	-	-	265.00
Payable	1,261.19	-	-
<b>Contingent liabilities</b>			
Standby letter of credit	2,019.77	-	-



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## 38 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.

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
Total equity attributable to the equity shareholders of the company	8,685.28	7,742.94
As a percentage of total capital	59%	64%
Current borrowings	4,641.38	3,984.19
Non-current borrowings	1,498.00	349.74
Total borrowings	6,139.38	4,333.93
As a percentage of total capital	41%	36%
<b>Total Capital</b>	<b>14,824.66</b>	<b>12,076.87</b>

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 2021 and 31 March 2020:

(₹ in Lakhs)

Particulars	Carrying Value		Fair Value	
	As at March 31, 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Financial assets</b>				
Measured at amortised cost				
(a) Trade receivables	4,691.60	3,486.36	4,691.60	3,486.36
(b) Cash and cash equivalents	665.68	621.77	665.68	621.77
(c) Loans	2,430.69	654.40	2,426.06	649.77
(d) Other financial assets	89.31	0.72	157.56	48.45
<b>Total</b>	<b>7,877.28</b>	<b>4,763.25</b>	<b>7,940.90</b>	<b>4,806.35</b>
<b>Financial liabilities</b>				
Measured at amortised cost				
(a) Trade payables	3,511.17	2,903.48	3,511.17	2,903.48
(b) Other financial liabilities	18.29	42.53	18.29	42.53
(c) Loans	6,139.38	4,333.93	6,139.38	4,333.93
(d) Lease liabilities	2.56	19.75	2.56	19.75
<b>Total</b>	<b>9,671.40</b>	<b>7,299.69</b>	<b>9,671.40</b>	<b>7,299.69</b>

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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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. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

### 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 determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
Revenue from top 5 customers	8,659.94	8,009.78
Revenue from top customer	3,311.80	3,636.02
Receivable from top 5 customers	2,089.80	1,450.26
Receivable from top customer	681.43	675.50

#### Geographic concentration of credit risk

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

(₹ in Lakhs)

Country	As at	
	March 31, 2021	March 31, 2020
India	4,431.09	3,325.45
Rest of the world	260.51	160.91

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



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## 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.

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

(₹ in Lakhs)

	As at March 31, 2021	Less than 1 year	1-3 Years	3-5 Years	Total
Borrowings	6,139.38	4,641.38	492.00	1,006.00	6,139.38
Trade payables	3,511.17	3,511.17			3,511.17
Lease liabilities	2.56	1.47	1.09		2.56
Other financial liabilities	18.29	18.29			18.29

	As at March 31, 2020	Less than 1 year	1-3 Years	3-5 Years	Total
Borrowings	4,333.93	3,984.19	349.74	-	4,333.93
Trade payables	2,903.48	2,903.48	-	-	2,903.48
Lease liabilities	19.75	18.66	1.09		19.75
Other financial liabilities	42.53	42.53	-	-	42.53

## 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

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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:

MANAGEMENT POLICY	POTENTIAL IMPACT OF RISK	SENSITIVITY TO RISK
<b>(i) Interest rate risk</b>		
The company is exposed to interest rate risk because the company borrow funds at floating interest rates.	The company tries to minimise the risk impact by taking lowest quotes from the bank and pass on the risk to our vendors / customers wherever possible	If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2021 would decrease/increase by Rs 16.5 lakhs (Rs.10 Lakhs for March 31, 2020)
<b>(ii) Price risk</b>		
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.	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.	The prices of the Company's raw materials generally fluctuate in line with commodity cycles. Hence sensitivity analysis is not done
<b>(iii) Currency risk</b>		
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	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.	If the exchange rate increases by 1% impact on Trade Payables will increase by Rs 5 lakhs, On debtors the benefit will increase by Rs 3 lakhs



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The following table sets forth information relating to foreign currency exposures as at March 31, 2021 and March 31, 2020

March 31, 2021				(₹ in Lakhs)
	USD	EURO	Others	Total
Total financial assets	36.12	138.95	3.12	178.19
Total financial liabilities	510.66	8.88	-	519.54

March 31, 2020				(₹ in Lakhs)
	USD	EURO	Others	Total
Total financial assets	1,815.28	211.79	0.06	2,027.07
Total financial liabilities	2,903.70	0.68	-	2,904.38

### 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 Lakhs)				
	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2021</b>				
Financial assets:				
Investments	148.53	9.03	-	157.56
<b>Total</b>	<b>148.53</b>	<b>9.03</b>	<b>-</b>	<b>157.56</b>
<b>As at March 31, 2020</b>				
Financial assets:				
Investments	39.42	9.03	-	48.45
<b>Total</b>	<b>39.42</b>	<b>9.03</b>	<b>-</b>	<b>48.45</b>

## 39 Employee benefits

### (a) Defined contribution plan

The Company's contribution to Provident Fund aggregating Rs. 91.06 lakhs (March 31, 2020: Rs. 98.02 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:

- 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.
- 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.

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- (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, 2021 and March 31, 2020 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.

## Amount recognised in statement of profit and loss

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service cost		
Current service cost	27.34	27.85
Net interest expense	13.62	10.42
Immediate recognition of (gain)/losses-Other long term benefits	-	-
	<b>40.96</b>	<b>38.27</b>
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)	4.02	(0.84)
Actuarial gains and loss arising from changes in financial assumptions in DBO	(11.60)	29.56
Actuarial gains and loss arising from experience adjustments in DBO	(23.58)	12.02
Actuarial gains and loss arising from changes in Demographic assumptions in DBO	-	(2.28)
	<b>(31.16)</b>	<b>38.46</b>
<b>Total</b>	<b>9.80</b>	<b>76.73</b>

## Amount recognised in the Balance Sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	452.43	490.50
Fair value of plan assets	296.15	258.05
	<b>156.28</b>	<b>232.45</b>
Current portion of the above	43.51	52.08
Non current portion of the above	112.76	180.37



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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening defined obligation	490.50	466.99
Expenses recognised in Profit and Loss Account		
- Current service cost	27.35	27.85
- Interest expense (income)	32.99	28.82
Recognised in other comprehensive income		
Remeasurement gains / (losses)		
- Actuarial gain (loss) arising from:		
i. Demographic assumptions	-	(2.28)
ii. Financial assumptions	(11.60)	29.56
iii. Experience adjustments	(23.58)	12.02
Benefit payments	(63.22)	(72.46)
Closing defined obligation	<b>452.44</b>	<b>490.50</b>

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening fair value of plan assets	258.05	311.27
Expenses recognised in Profit and Loss Account		
- Expected return on plan assets	19.37	18.40
Recognised in other comprehensive income		
Remeasurement gains / (losses)		
- Actual return on plan assets in excess of the expected return	(4.01)	0.84
Contributions by employer (including benefit payments recoverable)	85.97	-
Benefit payments	(63.22)	(72.46)
Closing fair value of plan assets	<b>296.15</b>	<b>258.05</b>

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<b>i) The Major categories of plan assets</b>		
Assets under insurance schemes	100%	100%
<b>j) Actuarial assumptions</b>		
1. Discount rate	7.19%	6.69%
2. Expected rate of return on plan assets	7.19%	6.69%
3. Salary escalation	9%	9%
4. Attrition rate	10%	10%
5. Retirement age	58	58
5. Mortality rate	As per IALM (2012-14) ultimate	As per IALM (2012-14) 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 to Rs. 429.23 lakhs (increase to Rs. 478.34 lakhs) as at March 31,2021.
- If the expected salary escalation increases (decrease) by 1%, the defined benefit obligation would be increases to Rs. 476.09 lakhs (decreases to Rs. 430.42 lakhs) as at March 31, 2021.
- If the attrition rate increases (decreases) by 1%, the defined benefit obligation would be decreased to Rs. 449.10 lakhs (increases to Rs.456.09 lakhs) as at March 31, 2021.

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.

### Expected future Cash outflows towards the plan are as follows

Particulars	Amount
<b>Financial Year</b>	
2020-21	52.94
2021-22	62.74
2022-23	49.07
2023-24	44.44
2024-25	25.24
2025-26 to 2030-31	106.30
Payouts Above Ten Years	111.69
<b>Total</b>	<b>452.42</b>



40 Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial results including but not limited to its assessment of Company's liquidity and going concern, recoverable values of its property, plant and equipment (including capital work in progress), inventory and trade receivables. However, given the effect of these lockdowns on the overall economic activity and in particular on the automotive industry, the impact assessment of COVID-19 on the above mentioned financial results is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.

#### 41 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on June 17, 2021

42 Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

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

**Swathishree K.R**  
Company Secretary  
Membership No.A48365

Place : Bengaluru  
Date : June 17, 2021

# Independent Auditors' Report

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

### Opinion

We have audited the accompanying consolidated financial statements of Triton Valves Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b>Expected Credit Losses on trade receivables:</b></p> <p>The Group has trade receivables due from customers amounting to Rs.4,428.65 lakhs as stated in Note 10 to the consolidated financial statements.</p> <p>The management determined the allowance for credit losses based on current conditions and forecast of future conditions taking into consideration historical loss experience. During the year, management has considered additional provisions based on the current and anticipated future economic conditions arising from the COVID -19 pandemic event on the customers' business operations and the consequent ability to pay.</p> <p>In computing the expected credit losses, the Group has also considered external sources of information relating to its customers' credit risk that were available in public domain to estimate the probable loss in future and has taken into account possible effects from the pandemic relating to COVID -19.</p> <p>We identified the valuation assertion relating to the allowance for credit losses as a key audit matter because the Group exercises significant judgment in calculating the expected credit losses.</p>	<p>Our audit procedures related to the allowance for credit losses for trade receivables included the following, among others:</p> <p>We evaluated the design and tested the effectiveness of controls over the (1) input data used by the management such as the customers' credit risk and related information (2) completeness and accuracy of information used in the estimation of probable loss and (3) computation of the allowance for credit losses.</p> <p>For a sample of customers:</p> <ul style="list-style-type: none"> <li>- We tested a sample of invoices to verify the accuracy of the aging data considered.</li> <li>- We tested the realization of receivables subsequent to the balance sheet date.</li> <li>- We tested other input data used by the management such as the customers' credit risk and related information by corroborating the same with internal source of information and to the extent publicly available, the external sources of information.</li> </ul> <p>We tested the mathematical accuracy and computation of the allowances by using the above input data to determine if there were any material differences in the aggregate.</p>



### Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Parent's Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material

misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may

reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Other Matters

We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of Rs. 7,633.18 Lakhs as at March 31, 2021, total revenues of Rs. 7,327.45 Lakhs and net cash inflows amounting to Rs. 256.45 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Our opinion on the consolidated financial statements is not modified in respect of the above matters on the comparative financial information.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements of subsidiaries referred to in the Other Matters section above we report, to the extent applicable 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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.



- e) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2031 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company, subsidiary companies, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
- h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group
- ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; or
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies.

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

**Balaji M N**  
(Partner)  
(Membership No. 202094)  
(UDIN: 21202094AAAADZ5063)

Place: Bengaluru  
Date: June 17, 2021

## Annexure “A” to the Independent Auditor’s Report

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

### **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”)**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Triton Valves Limited (hereinafter referred to as “Parent”), as of that date.

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

The Board of Directors of the Parent are 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 (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent’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.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Parent’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) 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 we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent’s internal financial controls system over financial reporting.

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control



over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Balaji M N**  
(Partner)  
(Membership No. 202094)  
(UDIN: 21202094AAAADZ5063)

Place: Bengaluru  
Date: June 17, 2021

# Consolidated Balance Sheet

as at March 31, 2021

(₹ in Lakhs)

Particulars	Notes	As at	
		March 31, 2021	March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3a	7,447.00	5,678.01
Capital work-in-progress	4a	549.10	315.22
Right-of-use assets	4b	4.70	15.99
Investment property	6	1,387.80	33.42
Intangible assets	3b	18.51	38.38
<b>Financial assets</b>			
(i) Investments	5	59.94	39.34
(ii) Loans	7a	111.55	72.64
Other non-current assets	8a	247.11	838.49
<b>Total non-current assets</b>		<b>9,825.71</b>	<b>7,031.49</b>
<b>Current assets</b>			
Inventories	9	4,399.09	3,514.41
<b>Financial assets</b>			
(i) Loans	7b	23.78	28.16
(ii) Trade receivable	10	4,428.65	3,453.75
(iii) Cash and cash equivalents	11a	1,269.90	1,065.57
(iv) Bank balances other than cash and cash equivalents	11b	12.24	11.03
Current tax assets (net)	12	272.83	473.83
Other current assets	8b	1,281.18	315.49
<b>Total current assets</b>		<b>11,687.67</b>	<b>8,862.24</b>
<b>Total</b>		<b>21,513.38</b>	<b>15,893.73</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	103.00	103.00
Other equity	14	8,460.57	7,658.23
<b>Total equity</b>		<b>8,563.57</b>	<b>7,761.23</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	15	1,833.63	349.74
(ii) Lease liabilities	16a	1.09	1.09
Provisions	17a	112.76	180.37
Deferred tax liabilities (net)	18	39.69	83.71
<b>Total non-current liabilities</b>		<b>1,987.17</b>	<b>614.91</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	19	6,819.85	5,361.11
(ii) Trade payables	20		
(a) Total outstanding dues of Micro and Small Enterprises		11.50	3.18
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		2,859.97	1,736.83
(iii) Lease liabilities	16b	1.47	18.66
(iv) Other financial liabilities	21	1,145.36	248.38
Provisions	17b	68.37	103.80
Other current liabilities	22	56.12	45.63
<b>Total current liabilities</b>		<b>10,962.64</b>	<b>7,517.59</b>
<b>Total liabilities</b>		<b>12,949.81</b>	<b>8,132.50</b>
<b>Total</b>		<b>21,513.38</b>	<b>15,893.73</b>

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

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Balaji M N**  
Partner

Place : Bengaluru  
Date : June 17, 2021

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

**Swathishree K.R**  
Company Secretary  
Membership No.A48365



# Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Revenue from operations	23	22,962.03	21,388.02
Other income	24	198.01	92.27
<b>Total income</b>		<b>23,160.04</b>	<b>21,480.29</b>
<b>Expenses</b>			
Cost of materials consumed	25	14,982.66	13,604.24
Change in inventories of finished goods and work in progress	26	(198.67)	(156.82)
Employee benefits expense	27	2,990.54	2,929.98
Finance costs	28	427.91	473.66
Depreciation and amortization expense	29	1,086.95	1,135.80
Other expenses	30	2,899.57	2,755.96
<b>Total expenses</b>		<b>22,188.96</b>	<b>20,742.82</b>
<b>Profit before tax</b>		<b>971.08</b>	<b>737.47</b>
<b>Tax expense</b>	31		
Current tax		323.28	296.00
MAT credit utilised		-	(87.51)
Deferred tax		(51.46)	(15.89)
Tax for earlier years		(80.92)	-
		<b>190.90</b>	<b>192.60</b>
<b>Profit for the year</b>		<b>780.18</b>	<b>544.87</b>
<b>Other comprehensive income (OCI)</b>			
i) Items that will not be reclassified to profit or loss:			
a) Remeasurement of defined employee benefit plans		31.16	(38.46)
b) Income tax on items that will not be reclassified to the profit or loss		(7.84)	11.20
ii) Items that will be reclassified to profit or loss:			
a) Exchange difference on translation of foreign operations		(1.57)	1.25
b) Income tax on items that will be reclassified to the profit or loss		0.40	(0.36)
<b>Total other comprehensive income / (loss)</b>		<b>22.15</b>	<b>(26.38)</b>
<b>Total comprehensive income for the year</b>		<b>802.33</b>	<b>518.51</b>
Earnings per equity share (nominal value of share Rs.10 each)	32		
i) Basic		75.74	54.93
ii) Diluted		75.02	54.87

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

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Balaji M N**  
Partner

Place : Bengaluru  
Date : June 17, 2021

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

**Swathishree K.R**  
Company Secretary  
Membership No.A48365

# Consolidated Statement of Cash Flow

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flow from operating activities</b>		
Profit before tax for the year	971.08	737.47
Adjustments for:		
Depreciation and amortisation expense	1,086.95	1,135.80
Interest income	(34.94)	(18.29)
Dividend income	(0.20)	(0.14)
(Profit) on sale/ write off of fixed assets	(8.65)	-
Trade receivables written off	-	35.71
Loss on assets written off	13.02	0.03
Unrealised foreign exchange gain/ (loss)	(1.57)	1.25
(Profit) / Loss on fair valuation of Investment	(20.49)	4.69
Finance costs	427.91	473.66
<b>Operating profit before working capital changes</b>	<b>2,433.11</b>	<b>2,370.18</b>
Movements in working capital :		
Increase in trade payables	1,131.46	221.30
Increase in other long term liabilities		1.09
(Decrease) / increase in other current liabilities	(13.75)	74.16
(Increase) / decrease in trade receivables	(974.90)	201.40
Decrease / (increase) in inventories	(884.68)	(566.39)
(Increase) in non-current loans	(38.91)	-
(Increase) in current loans	4.38	(6.09)
(Increase) / decrease in other assets	(965.69)	208.57
(Decrease) / increase in non-current provisions	(36.45)	30.09
(Decrease) / increase in current provisions	(35.43)	41.64
<b>Cash generated from operations</b>	<b>619.14</b>	<b>2,575.95</b>
Direct taxes paid (net of refunds)	(40.79)	(327.83)
<b>Net cash flow from operating activities (A)</b>	<b>578.35</b>	<b>2,248.12</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment, including CWIP and capital advances	(3,837.23)	(1,248.33)
Proceeds from sale of property, plant & equipment	12.47	-
Investment in subsidiaries	-	0.09
Interest received	34.94	18.29
Dividends received	0.20	0.14
Net cash flow used in investing activities (B)	<b>(3,789.62)</b>	<b>(1,229.81)</b>
<b>Cash flows from financing activities</b>		
Proceeds from non-current borrowings	2,680	-
Repayment of non-current borrowings	(275)	(585.03)
Proceeds of current borrowings	1,458.74	1,244.65
Disbursement of Loan to related party	-	(215.00)
Interest paid	(425.48)	(478.01)
Payment of principal portion of lease liabilities	(20.34)	(17.13)
Payment of interest portion of lease liabilities	(2.43)	(3.69)
Proceeds from issue of equity shares	-	329.38
Dividends paid on equity shares	-	(268.55)
Tax on equity dividend paid	-	(54.71)
<b>Net cash flow generated from / (used in) financing activities (C)</b>	<b>3,415.60</b>	<b>(48.09)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>204.33</b>	<b>970.22</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,065.57</b>	<b>95.35</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,269.90</b>	<b>1,065.57</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	1,266.29	3.33
With banks - on current account	3.61	1,062.24
<b>Total cash and cash equivalents</b>	<b>1,269.90</b>	<b>1,065.57</b>



## Reconciliation of liabilities from financing activities for the year ended March 31, 2021

Particulars	As at March 31, 2020	Proceeds/impact of Ind AS 116	Repayment	Fair value changes	As at March 31, 2021
Long-term borrowings (including current portion)	555.59	2,679.95	(274.84)	-	2,960.70
Lease liabilities	19.75	(17.19)	-	-	2.56

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

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Balaji M N**  
Partner

Place : Bengaluru  
Date : June 17, 2021

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

**Swathishree K.R**  
Company Secretary  
Membership No.A48365

# Consolidated Statement of changes in equity

during the year ended March 31, 2021

a) Equity share capital (₹ in Lakhs)

Particulars	Amount
Balance as at April 1, 2019	99.00
Changes during the year	-
Add: Issue of equity shares (Refer Note 13)	4.00
<b>Balance as at March 31, 2020</b>	<b>103.00</b>
Changes during the year	-
Add: Issue of equity shares	-
<b>Balance as at March 31, 2021</b>	<b>103.00</b>

a) Other Equity (₹ in Lakhs)

	Reserves and surplus				Equity share warrants	Total
	Securities premium	Foreign Currency Reserve	General reserve	Retained earnings		
<b>As at April 1, 2019</b>	149.40	-	4,859.34	2,127.64	-	7,136.38
Profit for the year	-	-	-	544.87	-	544.87
Other comprehensive income net of tax	-	0.89	-	(27.26)	-	(26.37)
Deferred Premium account	-	-	-	-	-	-
Amount received on issue of equity shares	306.00	-	-	-	-	306.00
Amount received on issue of equity share warrants	-	-	-	-	19.38	19.38
Dividend proposed and paid	-	-	-	(267.31)	-	(267.31)
Tax impact on dividend paid	-	-	-	(54.71)	-	(54.71)
<b>As at March 31, 2020</b>	<b>455.40</b>	<b>0.89</b>	<b>4,859.34</b>	<b>2,323.23</b>	<b>19.38</b>	<b>7,658.24</b>
Profit for the year	-	-	-	780.18	-	780.18
Other comprehensive income net of tax	-	(1.17)	-	23.32	-	22.15
Deferred Premium account	-	-	-	-	-	-
Amount received on issue of equity shares	-	-	-	-	-	-
Amount received on issue of equity share warrants	-	-	-	-	-	-
Dividend proposed and paid	-	-	-	-	-	-
Tax impact on dividend paid	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>455.40</b>	<b>(0.28)</b>	<b>4,859.34</b>	<b>3,126.73</b>	<b>19.38</b>	<b>8,460.56</b>

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

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

Balaji M N  
Partner

S. K. Welling  
Chairman  
DIN: 00050943

Aditya M. Gokarn  
Managing Director  
DIN: 00185458

Place : Bengaluru  
Date : June 17, 2021

Srikanth Shenoy  
Chief Financial Officer

Swathishree K.R  
Company Secretary  
Membership No.A48365



# Notes

forming part of consolidated financial statements

## 1. Corporate information

Triton Valves Limited (“the Parent”) and its subsidiaries (together “the Group”) are engaged in the business of manufacturing of valves and cores for automobile tubes and supplies to tyre, tube and original equipment manufacturers. The Parent is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India. The Holding Company has its listings on BSE Limited.

The consolidated financial statements were authorized for issuance by the Company’s Board of Directors on June 17, 2021.

## 2. Significant accounting policies

### 2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The Group has consistently applied accounting policies to all periods.

### 2.2 Basis of Consolidation

The consolidated financial statements have been prepared on the following basis:

#### Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and ceases to be consolidated when the Group loses control of the subsidiary. Fully consolidated means recognition of like items of assets, liabilities, equity, income and expense. Thereafter the portion of net profit and equity is segregated between the Group’s share and share of non-controlling stake holders. Inter-company transactions, balances and unrealised gains on transactions between Group Companies are eliminated. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group’s accounting policies.

#### Subsidiaries included in the consolidation:

Name of the Enterprise	Country of Incorporation	Nature of Business	Shareholding/Controlling interest
Triton Valves Hong Kong Limited	China	Trading	100%
TritonValves Climatech Private Limited	India	Manufacturing	100%
TritonValves Future Tech Private Limited	India	Manufacturing	100%

### 2.3 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 Group 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;



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## forming part of consolidated financial statements

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.

### 2.4 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 Group 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. The Company has considered internal and certain external sources of information including credit reports, industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The eventual outcome of impact of the any pandemic may be different from those estimated as on the date of approval of these financial statements. 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 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 Group reviews the useful life of property, plant 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 Group 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.

### 2.5 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

#### Sale of goods

Revenue is recognised when control over the goods have been transferred to the buyer, and when the amount of revenue can be measured reliably. Amounts disclosed as revenue are net of returns, trade allowances, rebates, and value added items.

The Group has applied the guidance in Ind AS 115, 'Revenue from Contracts with Customers', by applying the revenue recognition criteria for each of the distinct performance obligation. The arrangements generally meet the criteria for considering sale of goods as distinct performance obligation. For allocating the consideration, the Group has measured the revenue in respect of distinct performance obligation at its standalone selling price, in accordance with principles given in Ind AS 115.

#### 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.

### 2.6 Foreign currencies

The functional currency of the Group 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



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## forming part of consolidated financial statements

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.

### 2.7 Leases

The Group's lease asset classes primarily consist of leases for warehouses/offices located across locations. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense over the lease term.

### 2.8 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 Group 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 balance sheet represents the actual deficit or surplus in the Group'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.



# Notes

## forming part of consolidated financial statements

### 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.

## 2.9 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 Group'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 Group 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.

## 2.10 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 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.



# Notes

## forming part of consolidated financial statements

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 30 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

### 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.

### 2.11 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

### 2.12 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 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.

### 2.13 Impairment

#### Financial assets (other than a fair value)

The Group 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 Group recognizes lifetime expected losses for all contract assets 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.

# Notes

forming part of consolidated financial statements

## 2.14 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 first in first out basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

## 2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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.

## 2.16 Financial instruments

Financial assets and liabilities are recognized when the Group 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.

### 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



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## forming part of consolidated financial statements

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 Group 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 statement of profit and loss.

### 2.17 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.

### 2.18 Segment reporting

The Group 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 group 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 Group's single business segment.

### 2.19 Dividend and dividend distribution tax

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The Company declares and pays dividends in Indian rupees and are subject to applicable distribution taxes. The applicable distribution taxes are treated as an appropriation of profits.

# Notes

forming part of consolidated financial statements

3. a) Property, plant & equipment												
(₹ in Lakhs)												
Deemed cost	b) Intangible assets										Total	
	Land	Buildings	Plant and machinery	Computer equipment	Office equipment	Vehicles	Furniture & fixtures	Software	Software	Total		
At April 1, 2019	150.37	2,964.30	5,975.96	29.93	31.47	35.49	92.69	110.14	110.14	110.14	110.14	110.14
Additions	-	78.09	265.75	3.67	35.80	25.55	11.57	1.71	1.71	1.71	1.71	1.71
Disposals / adjustments	-	-	0.61	-	4.10	-	-	4.71	-	-	-	-
At March 31, 2020	150.37	3,042.39	6,241.09	33.60	63.18	61.04	104.26	111.85	111.85	111.85	111.85	111.85
Additions	-	23.55	2,769.36	13.65	11.76	-	13.98	-	-	-	-	-
Disposals / adjustments	-	15.42	73.66	0.13	-	-	-	-	-	-	-	-
At March 31, 2021	150.37	3,050.52	8,936.79	47.12	74.94	61.04	118.24	111.85	111.85	111.85	111.85	111.85
Accumulated depreciation / amortization												
At April 1, 2019	-	416.64	2,410.28	19.94	14.96	16.24	51.88	52.06	52.06	52.06	52.06	52.06
Charge for the year	-	146.48	913.45	6.01	7.05	6.93	12.74	21.41	21.41	21.41	21.41	21.41
Eliminated on disposal / write-off of assets	-	-	0.58	-	4.10	-	-	-	-	-	-	-
At March 31, 2020	-	563.12	3,323.15	25.94	17.91	23.17	64.62	73.47	73.47	73.47	73.47	73.47
Charge for the year	-	149.15	863.91	5.65	9.54	8.61	10.86	19.87	19.87	19.87	19.87	19.87
Eliminated on disposal / write-off of assets	-	3.79	69.84	-	-	-	-	-	-	-	-	-
At March 31, 2021	-	708.48	4,117.22	31.59	27.45	31.78	75.48	93.34	93.34	93.34	93.34	93.34
Carrying value												
At March 31, 2021	150.37	2,342.04	4,819.57	15.53	47.49	29.25	42.75	18.51	18.51	18.51	18.51	18.51
At March 31, 2020	150.37	2,479.27	2,917.94	7.66	45.27	37.86	39.63	38.38	38.38	38.38	38.38	38.38



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## 4a Capital work-in-progress

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Plant & machinery	340.00	127.46
Buildings	200.61	185.02
Others	8.49	2.74
	<b>549.10</b>	<b>315.22</b>

## 4b Right-of-use assets

	Amount
<b>Gross carrying value</b>	
At April 1, 2019	
Impact of adoption of Ind AS 116 (refer note 33)	36.89
Additions	
Disposals / adjustments	
<b>At March 31, 2020</b>	<b>36.89</b>
Additions	-
Disposals / adjustments	-
<b>At March 31, 2021</b>	<b>36.89</b>
<b>Accumulated depreciation / amortization</b>	
At April 1, 2019	
Impact of adoption of Ind AS 116 (refer note 29)	
Charge for the year	20.90
<b>Eliminated on the disposal / write-off of assets</b>	
At March 31, 2020	<b>20.90</b>
Charge for the year	11.29
<b>Eliminated on the disposal / write-off of assets</b>	
<b>At March 31, 2021</b>	<b>32.19</b>
<b>Net carrying value as at March 31, 2021</b>	<b>4.70</b>
<b>Net carrying value as at March 31, 2020</b>	<b>15.99</b>

## 5. Investments

### Non-current investments

(₹ in Lakhs)

Name of the Company	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>A. At fair value through Profit &amp; Loss</b>				
<b>(i) Quoted investments</b>				
<b>Investments in equity instruments</b>				
Apollo Tyres Limited	500	1.12	500	0.42
T.V.S. Srichakra Tyre Limited	100	1.78	100	0.89
MRF Limited	50	41.13	50	29.03
J.K.Tyre & Industries Limited	300	0.33	300	0.12
Ceat Limited	37	0.58	37	0.29
Goodyear India Limited	200	1.78	200	1.21
Govind Rubber Limited	200	0.01	200	0.00

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(₹ in Lakhs)

Name of the Company	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Modi Rubber Limited	50	0.05	50	0.01
ICICI Bank Limited	2,244	13.06	2,244	7.28
Bengal & Assam Company Limited	5	0.07	5	0.06
J.K.Aagri Genetics Limited	3	0.02	3	0.01
Summit Securities Limited	2	0.01	2	0.01
Dhampur Sugar Mills Limited	1	-	1	0.00
Florence Investech Limited	-	-	-	-
<b>Total quoted investments</b>		<b>59.94</b>		<b>39.34</b>
<b>(ii) Unquoted investments</b>				
<b>Investment in equity instruments</b>				
<b>Investment in wholly owned subsidiaries</b>				
Triton Valves Hong Kong Limited	10,000	-	10,000	-
TritonValves Future Tech Private Limited	10,000	-	10,000	-
TritonValves Climatech Private Limited	10,000	-	10,000	-
<b>Others</b>				
Dewan Tyres Limited *	100	-	100	-
Bombay Tyres International Limited *	50	-	50	-
Dunlop India Limited *	100	-	100	-
<b>Total unquoted investments</b>	<b>250</b>	<b>-</b>	<b>250</b>	<b>-</b>
Aggregate amount of quoted investments (i)		59.94		39.34
Aggregate amount of unquoted investments (ii)		-		-
<b>Total</b>		<b>59.94</b>		<b>39.34</b>

\* The figures are as per the rounding off norms adopted by the Company.

(₹ in Lakhs)

6 Investment property	As at	As at
	March 31, 2021	March 31, 2020
<b>Deemed cost</b>		
At the beginning of the year	36.78	36.78
Additions	1,362.43	-
Disposals / adjustments	-	-
<b>At the end of the year</b>	<b>1,399.21</b>	<b>36.78</b>
<b>Accumulated depreciation</b>		
At the beginning of the year	3.36	2.52
Charge for the year	8.05	0.84
<b>At the end of the year</b>	<b>11.41</b>	<b>3.36</b>
<b>Net block</b>	<b>1,387.80</b>	<b>33.42</b>

### Fair value of investment property

The fair value of investment property (flat) as at March 31, 2021 and March 31, 2020 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 is 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.



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The fair value of building as at March 31, 2021 has been arrived at, on the basis of valuation carried out as on the respective dates by M/s H.T.Vasudev, independent valuer not related to the company. M/s H.T.Vasudev 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 building is in Mysore, 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, 2021 and March 31, 2020 are:

(₹ in Lakhs)

Investment property	As at	As at
	March 31, 2021	March 31, 2020
Residential Property located at Bangalore / Level of Hierarchy	Level 2	Level 2
a) Carrying value	32.58	34.05
b) Fair value	201.00	210.75
Building located at Mysore / Level of Hierarchy	Level 2	Level 2
a) Carrying value	1,355.21	-
b) Fair value	1,406.68	-

(₹ in Lakhs)

7 Loans	As at	As at
	March 31, 2021	March 31, 2020
<b>a. Non-current</b>		
Unsecured, considered good		
i) Security deposits	111.55	72.64
<b>Total</b>	<b>111.55</b>	<b>72.64</b>
<b>b. Current</b>		
Unsecured, considered good		
i) Security deposits	10.00	10.00
ii) Others - Loans and advances to employees	13.78	18.16
<b>Total</b>	<b>23.78</b>	<b>28.16</b>

(₹ in Lakhs)

8 Other assets	As at	As at
	March 31, 2021	March 31, 2020
Other assets consists of the following		
<b>a. Non-current</b>		
i) Capital advances (unsecured, considered good)	247.11	838.49
<b>TOTAL</b>	<b>247.11</b>	<b>838.49</b>
<b>b. Current</b>		
i) Advances to suppliers	541.09	195.43
ii) Prepaid expense	60.68	54.33
iii) Balance with government / statutory authorities	587.18	10.80
iv) Others	92.23	54.93
<b>Total</b>	<b>1,281.18</b>	<b>315.49</b>

(₹ in Lakhs)

9 Inventories	As at	As at
	March 31, 2021	March 31, 2020
<b>Valued at lower of cost and net realizable value</b>		
Raw materials *	2,313.95	1,655.92
Work-in-progress	1,043.33	810.36
Finished goods **	498.92	533.22
Packing materials	22.53	16.85
Stores and spares	520.36	498.06
<b>TOTAL</b>	<b>4,399.09</b>	<b>3,514.41</b>
* Includes goods-in-transit	11.15	-
**Includes goods-in-transit	122.91	126.23

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		(₹ in Lakhs)	
10 Trade receivables	As at	As at	
	March 31, 2021	March 31, 2020	
Secured, considered good	-	-	
Unsecured, considered good	4,428.65	3,453.75	
Trade receivable which have significant increase in credit risk	180.00	180.00	
<b>TOTAL</b>	<b>4,608.65</b>	<b>3,633.75</b>	
Less: Allowance for expected credit loss	180.00	180.00	
<b>Total</b>	<b>4,428.65</b>	<b>3,453.75</b>	

## Movement in the expected credit loss allowance

		(₹ in Lakhs)	
Particulars	As at	As at	
	March 31, 2021	March 31, 2020	
Balance at the beginning of the period	180.00	180.00	
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	-	
Extra provision provided	-	-	
<b>Provision at the end of the period</b>	<b>180.00</b>	<b>180.00</b>	

		(₹ in Lakhs)	
11 Cash and bank balances	As at	As at	
	March 31, 2021	March 31, 2020	
<b>a. Cash and cash equivalents</b>			
Balances with banks	1,266.29	1,062.24	
Cash on hand	3.61	3.33	
<b>TOTAL</b>	<b>1,269.90</b>	<b>1,065.57</b>	
<b>b. Other bank balance</b>			
Unpaid dividend accounts	12.24	11.03	
<b>Total</b>	<b>12.24</b>	<b>11.03</b>	

		(₹ in Lakhs)	
12 Current tax assets (net)	As at	As at	
	March 31, 2021	March 31, 2020	
Advance Income-tax (net off provision for taxation) (refer note below)	596.11	682.31	
Less : Income tax for the year	(323.28)	(208.49)	
<b>TOTAL</b>	<b>272.83</b>	<b>473.83</b>	
<b>Note:</b>			
Advance Income tax paid	1,034.43	1,623.53	
Less: Provision for tax	(761.60)	(1,149.70)	
<b>Total</b>	<b>272.83</b>	<b>473.82</b>	

		(₹ in Lakhs)	
13 Share Capital	As at	As at	
	March 31, 2021	March 31, 2020	
<b>a) Authorized shares (Nos.)</b>	500.00	500.00	
50,00,000 (March 31, 2020 : 50,00,000) Equity shares of Rs.10 each			
<b>b) Issued, subscribed and fully paid-up shares (Nos.)</b>	103.00	103.00	
10,30,027 (March 31, 2020 : 10,30,027) Equity shares of Rs.10 each fully paid up			
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>103.00</b>	<b>103.00</b>	



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## c) Reconciliation of the shares outstanding at the beginning and at the end of the year (₹ in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Nos.	Amount	Nos.	Amount
<b>Equity shares</b>				
At the beginning of the year	10,30,027	103.00	9,90,027	99.00
Add: Issue of equity shares under Preferential Allotment (Note-f)			40,000	4.00
Outstanding at the end of the year	10,30,027	103.00	10,30,027	103.00

## d) Terms/ rights attached to equity shares

- The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share.
- In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.
- The dividend for the year ended March 31, 2021, declared by the Board of Directors is Rs. 20 per equity share. This will result in a cash outflow of Rs 206 Lakhs including TDS during the Financial year ended 2021-22.

## e) Details of shareholders holding more than 5% shares in the Company (₹ in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Nos.	Amount	Nos.	Amount
<b>Equity shares of Rs.10/- each fully paid</b>				
Mrs. Anuradha Maruti Gokarn	3,20,041	31.07%	3,20,041	32.33%
Mrs. Nirmala Murthy	1,12,506	10.92%	1,12,506	11.36%
Mr. K Raghunath Shenoy	54,000	5.24%	54,000	5.45%

## f) Preferential allotment of equity shares

The Board of Directors and the Shareholders, in their meetings held on December 11, 2019 and January 22, 2020 respectively, approved issuance of 40,000 equity shares (of face value of Rs.10 each) on preferential basis to Mrs Anuradha M. Gokarn in accordance with Section 42 and 62(1)(c) of the Companies Act, 2013 read with Chapter V of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018. Consequently, the Company allotted 40,000 equity shares of Rs.10 each at an issue price of Rs.775 subscribed by the said Investor on March 13, 2020. Upon the aforesaid allotment, the Company's paid up capital stands increased to 1,030,027 equity shares of Rs.10 each

(₹ in Lakhs)

14 Other Equity	As at	As at
	March 31, 2021	March 31, 2020
<b>Securities premium</b>		
Amounts received on issue of shares in excess of the par value has been classified as securities premium, net of utilisation		
Balance at the beginning of the year	455.40	149.40
Add: Amount received on exercise of Preferential Allotment	-	306.00
Closing balance	<b>455.40</b>	<b>455.40</b>
<b>Foreign currency reserve</b>	<b>(0.28)</b>	<b>0.89</b>

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(₹ in Lakhs)

14 Other Equity	As at March 31, 2021	As at March 31, 2020
<b>General reserve</b>		
This represents appropriation of profit by the Company.		
Balance at the beginning of the year	4,859.34	4,859.34
Add: Transfer from the Statement of Profit & Loss		
Closing balance	<b>4,859.34</b>	<b>4,859.34</b>
<b>Equity share warrants</b>		
The balance represents part amount received against share warrants and pending conversion to equity shares allotted to Mr. Aditya Gokarn pursuant to approval given by the Board and shareholders of the Company. The amount represents 25% of 10,000 warrants convertible into an equity share of Rs.10 each		
Balance at the beginning of the year	19.38	-
Add: Transfer from the Statement of Profit & Loss	-	19.38
Closing balance	<b>19.38</b>	<b>19.38</b>
<b>Retained earnings</b>		
Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity shareholders.	3,126.73	2,323.23
<b>TOTAL</b>	<b>8,460.57</b>	<b>7,658.23</b>

(₹ in Lakhs)

15 Borrowings	As at March 31, 2021	As at March 31, 2020
<b>Non-current: At amortised cost</b>		
<b>Term loans (secured)</b>		
From banks (Refer Note (i) below)	1,398.63	84.74
<b>Loans from the related parties (Unsecured)</b>		
Loan from Director (Refer note (ii) below)	435.00	265.00
<b>TOTAL</b>	<b>1,833.63</b>	<b>349.74</b>

i. Term loans from banks:

- a) Term loan-I from HDFC Bank carrying interest rate @ 11.25% p.a. to 9.75% p.a (for March 31, 2020 and March 31, 2021) repayable in 59 equated monthly instalments beginning from March 2017.
- b) Term loan-II from HDFC Bank carrying interest rate @ 8.5% p.a (for March 31, 2021), repayable in 48 equated monthly instalments beginning from June 2021.
- c) Term loan-III from HDFC Bank carrying interest rate @ 8% p.a (for March 31, 2021), repayable in 48 equated monthly instalments beginning from March 2022.
- d) Term Loan-IV from HSBC Bank @ 8.15% p.a.(for March 31, 2021) repayable in 54 equated monthly instalments  
Term Loan-IV from HSBC Bank @ 8.15% p.a.(for March 31, 2021) repayable in 54 equated monthly instalments  
Term Loan-V from HSBC Bank @ 8.05% p.a.(for March 31, 2021) repayable in 54 equated monthly instalments  
Term Loan-VI from HSBC Bank @ 7.85% p.a.(for March 31, 2021) repayable in 54 equated monthly instalments  
Foreign Currency Term loan-from HSBC Bank carrying interest rate @ 2.94% p.a (for March 31, 2021)
  - i) by way of First pari passu charge, on hypothecation of all the plant and machinery at the Group's existing plant at Belavadi Industrial Area and Hebbal Industrial Estate, Mysore, Group's Registered Office and Flat at Bangalore
  - ii) 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,



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- iii) by way of Second pari passu charge, on hypothecation of Group'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,
- iv) further secured by personal guarantee of the Managing Director for entire loan.
- ii. Loan from Director : It carries an Interest @ 9.70% to 8.00% (for April 1, 2020 to March 31, 2021).

(₹ in Lakhs)

16 Lease liabilities	As at	As at
	March 31, 2021	March 31, 2020
a) Non current	1.09	1.09
<b>TOTAL</b>	<b>1.09</b>	<b>1.09</b>
b) Current	1.47	18.66
<b>Total</b>	<b>1.47</b>	<b>18.66</b>

(₹ in Lakhs)

17 Provisions	As at	As at
	March 31, 2021	March 31, 2020
<b>a) Non current</b>		
Employee benefits		
Provision for gratuity (Refer note 39)	112.76	180.37
<b>TOTAL</b>	<b>112.76</b>	<b>180.37</b>
<b>b) Current</b>		
Employee benefits (refer note (i) below)		
Provision for gratuity (Refer note 39)	43.52	52.08
Provision for leave benefits	24.85	51.72
<b>Total</b>	<b>68.37</b>	<b>103.80</b>

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

(₹ in Lakhs)

18 Deferred tax balances	As at	As at
	March 31, 2021	March 31, 2020
Deferred tax assets	136.79	173.59
Deferred tax liabilities	176.48	257.30
<b>Deferred tax liabilities (net)</b>	<b>39.69</b>	<b>83.71</b>
<b>Deferred tax liabilities (net)</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Deferred tax liability</b>		
a) Depreciation and amortisation	175.94	257.30
b) Right to use assets	0.54	-
<b>Gross deferred tax liability</b>	<b>176.48</b>	<b>257.30</b>
<b>Deferred tax asset</b>		
a) Provision towards employee benefits	71.66	120.10
b) Provision for doubtful debts	45.30	52.42
c) Unabsorbed losses	19.43	-
d) Right to use assets	-	1.07
e) Forex translation	0.40	-
<b>Gross deferred tax asset</b>	<b>136.79</b>	<b>173.59</b>
<b>Net deferred tax liability</b>	<b>39.69</b>	<b>83.71</b>

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		(₹ in Lakhs)	
19 Current borrowings		As at March 31, 2021	As at March 31, 2020
<b>Secured - at amortised cost</b>			
Loans repayable on demand		-	-
Cash credit from banks (Refer Note (i) below)		6,819.85	5,361.11
<b>Total</b>		<b>6,819.85</b>	<b>5,361.11</b>

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

- a) It carries interest rate @ 10.70% - 7.50 % p.a (for March 31, 2021) and are repayable on demand  
Cash credit from bank is secured
- i) 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,
  - ii) 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,
  - iii) by way of second paripassu charge, on equitable mortgage of Land and Building at Belavadi Industrial and Hebbal Industrial area, Mysore, Company's registered Office and Company Flat at Bangalore,
  - iv) by way of further secured by personal guarantee of the Managing Director for the entire loan amount.

		(₹ in Lakhs)	
20 Trade payables		As at March 31, 2021	As at March 31, 2020
(a) Total outstanding dues of Micro and Small Enterprises (Refer Note 35)		11.50	3.18
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		2,859.97	1,736.83
<b>Total</b>		<b>2,871.47</b>	<b>1,740.01</b>

		(₹ in Lakhs)	
21 Other financial liabilities		As at March 31, 2021	As at March 31, 2020
Current maturities of long term debts		1,127.07	205.85
Unpaid dividend		12.19	10.98
Dealer deposits		2.60	2.60
Rental deposits		3.50	3.50
Other payables		-	25.45
<b>Total</b>		<b>1,145.36</b>	<b>248.38</b>

		(₹ in Lakhs)	
22 Other current liabilities		As at March 31, 2021	As at March 31, 2020
Statutory dues		56.12	45.63
<b>Total</b>		<b>56.12</b>	<b>45.63</b>

		(₹ in Lakhs)	
23 Revenue from operations		For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products		18,126.51	17,527.10
Other operating income		4,835.52	3,860.92
<b>Total</b>		<b>22,962.03</b>	<b>21,388.02</b>



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		(₹ in Lakhs)	
24 Other income		or the year ended March 31, 2021	For the year ended March 31, 2020
<b>a) Interest income</b>			
Other financial assets carried at amortised cost		13.50	18.29
Interest on IT refund		21.44	-
<b>b) Dividend income</b>			
Dividend from equity instruments		0.20	0.14
<b>c) Other non-operating income</b>			
Rental income		5.27	5.17
Export incentives		30.15	18.88
Others		0.08	7.56
<b>d) Other gains and losses</b>			
Net foreign exchange gains		98.23	42.23
Gain on disposal of property, plant and equipment		8.65	-
Net gain on financial assets mandatorily carried at fair value		20.49	-
<b>Total</b>		<b>198.01</b>	<b>92.27</b>

		(₹ in Lakhs)	
25 Cost of material consumed		For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock		1,655.92	1,174.30
Add: Purchases during the year		15,640.69	14,072.84
Less: Closing stock		2,313.95	1,642.90
<b>Total</b>		<b>14,982.66</b>	<b>13,604.24</b>

		(₹ in Lakhs)	
26 Change in inventories of finished goods and work-in-progress		For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the end of the year			
Work-in-progress		1,043.33	810.36
Finished goods		498.92	533.22
<b>Subtotal</b>		<b>1,542.25</b>	<b>1,343.58</b>
Inventories at the beginning of the year			
Work-in-progress		810.36	626.22
Finished goods		533.22	560.54
<b>Subtotal</b>		<b>1,343.58</b>	<b>1,186.76</b>
<b>Total</b>		<b>(198.67)</b>	<b>(156.82)</b>

		(₹ in Lakhs)	
27 Employee benefits expense		For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus		2,703.83	2,648.31
Contribution to provident and other funds (Refer Note 39)		112.05	110.01
Staff welfare expenses		174.66	171.66
<b>Total</b>		<b>2,990.54</b>	<b>2,929.98</b>

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28 Finance costs	(₹ in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on cash credit and term loans	394.45	422.91
Interest expenses on lease liability	2.43	3.69
Interest on loans from related party (Refer Note 37)	31.03	47.06
<b>Total</b>	<b>427.91</b>	<b>473.66</b>

29 Depreciation and amortization expense	(₹ in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of tangible assets	1,047.74	1,092.65
Amortization of intangible assets	19.87	21.41
Amortization of right to use asset	11.29	20.90
Depreciation on investment properties	8.05	0.84
<b>Total</b>	<b>1,086.95</b>	<b>1,135.80</b>

30 Other expenses	(₹ in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Electricity and water charges	438.15	404.02
Job work charges	183.07	167.13
Transportation charges	95.68	70.88
Rent	18.41	4.09
Rates and taxes	18.80	24.70
Insurance	61.45	38.70
Repairs and maintenance	-	-
Plant and machinery	52.92	24.00
Buildings	8.10	24.60
Vehicle	8.59	6.93
Others	42.40	51.74
Advertising and sales promotion	38.72	51.65
Travelling and conveyance	42.81	145.98
Communication costs	17.12	18.82
Printing and stationery	21.43	31.75
Legal and professional fees	125.88	134.29
Directors' sitting fees	10.50	13.00
Directors' commission	12.06	8.89
Payment to statutory auditor (Refer Note (ii) below)	22.75	19.42
Watch and ward expense	56.34	54.86
Packing and forwarding	644.01	519.64
Stores and spares consumed	861.34	765.29
Donation	-	3.15
CSR expenditure (Refer Note 36)	9.94	2.51
Net loss on financial assets mandatorily carried at fair value	-	4.69
Loss arising on derecognition of financial assets	-	35.71
Loss on assets written off	13.02	0.03
Miscellaneous expenses	96.08	129.49
<b>Total</b>	<b>2,899.57</b>	<b>2,755.96</b>



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(₹ in Lakhs)

(i) Payment to statutory auditor	For the year ended March 31, 2021	For the year ended March 31, 2020
As Auditor:		
- Statutory audit fee	20.16	17.12
- Other services	1.50	2.30
- Reimbursement of expenses	1.09	-
<b>Total</b>	<b>22.75</b>	<b>19.42</b>

## 31 Tax expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>a) Current income tax</b>		
In respect of current year	323.28	296.00
<b>b) Deferred tax</b>		
In respect of current year	(51.46)	(103.40)
<b>TOTAL</b>	<b>271.82</b>	<b>192.60</b>

### c) Tax reconciliation

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax as per statement of profit and loss	971.08	737.47
Income tax calculated at 25.17% (Previous year - 29.12%)	254.85	209.28
Effect of Section 35 (2AB) claim for Revenue expenses	-	(34.32)
Effect of Section 35 (2AB) claim for Capital expenses	-	(4.09)
Disallowance of CSR expenses & Deemed Income on Investments	2.50	1.65
Unabsorbed loss	6.77	-
Effect on deferred tax balances due to the change in income tax from 27.82% to 29.12% (Previous year - 29.12% to 27.82%)	-	9.25
Others	7.71	9.44
<b>Income tax recognised in Statement of Profit and Loss</b>	<b>271.81</b>	<b>192.60</b>

### d) Significant components of net deferred tax assets and liabilities as at March 31, 2021 are as follows

Particulars	Opening balance	Recognised in Profit and Loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets/(liabilities) in relation to				
a) Depreciation and amortization	(257.30)	(81.36)	-	(175.94)
b) Provision for employee benefits	120.10	40.60	7.84	71.66
c) Provision for doubtful debts	52.42	7.12	-	45.30
d) Forex Translation	-	-	0.40	0.40
e) Right -to- use assets	1.07	1.61	-	(0.54)
f) Unabsorbed losses	-	(19.43)	-	19.43
<b>Total</b>	<b>(83.71)</b>	<b>(51.46)</b>	<b>8.24</b>	<b>(39.69)</b>

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## d) Significant components of net deferred tax assets and liabilities as at March 31, 2020 are as follows:-

Particulars	Opening balance	Recognised in Profit and Loss	Recognised in other comprehensive income	(₹ in Lakhs)
				Closing balance
Deferred tax assets/(liabilities) in relation to				
a) Depreciation and amortization	(314.00)	56.70	-	(257.30)
b) Provision for employee benefits	67.00	53.10	-	120.10
c) Provision for doubtful debts	50.00	2.42	-	52.42
d) Forward components of forward contract	(0.94)	0.94	-	-
e) Right-to-use of assets	-	1.07	-	1.07
f) MAT credit entitlement	87.51	(87.51)	-	-
<b>Total</b>	<b>(110.43)</b>	<b>26.72</b>	<b>-</b>	<b>(83.71)</b>

## 32 Earnings per share (EPS)

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit attributable to equity share holders (Rs. in lakhs)	780.18	544.87
Number of shares outstanding (Numbers in lakhs)	103.00	103.00
Weighted average number of shares outstanding (Numbers in lakhs)	103.00	10.30
Nominal value of shares (Rs.)	10	10
Basic earnings per share (Rs.)	75.74	54.93
Diluted earnings per share (Rs.)	75.02	54.87

## 33 Contingent liabilities:

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
a) Claims against the company not acknowledged as debt		
i. Disputed income tax demands, pending in appeal	-	23.27
b) Guarantees excluding financial guarantees		
i. Bank guarantee	81.97	81.97
<b>Total</b>	<b>81.97</b>	<b>105.24</b>

### Notes

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

## 34 Commitments

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Other commitments</b>		
Commitments for acquisition of property, plant and equipment	24.43	70.04
<b>Total</b>	<b>24.43</b>	<b>70.04</b>



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## 35 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, 2020. Further, no interest during the year has been paid or payable under the terms of the MSMED Act 2006.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;	11.98	3.18
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."	-	-

## 36 Corporate Social Responsibility (CSR)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross amount required to be spent by the Company during the year as per Section 135 of the Act	13.41	-
Amount spent during the year	9.94	2.51

## 37 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. Gokarn	Key management personnel (KMP)
Shrikant Kamalakant Welling	Director
Anuradha M. Gokarn	Director
Bhaskar Ramachandra Pai	Director
Tamhant Jain	Director
Prashant Nayak	Director
Srikanth Shenoy	Key management personnel (KMP)
Swathishree. K R	Key management personnel (KMP)

### 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.

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## B) Related party transactions and balances outstanding

(₹ in Lakhs)

### Related party transactions during the year ended March 31, 2021 and balances outstanding as at March 31, 2021

Nature of transactions	KMP	Director
<b>Interest paid</b>	-	31.03
Sitting fee	-	10.50
Commission paid	-	12.06
Interest received		
Rent received	-	5.27
<b>Managerial remuneration</b>		
Short-term benefits	162.48	-
<b>Balance outstanding</b>		
Loan Payable	-	435.00
Payable	-	-

### Related party transactions during the year ended March 31, 2020 and balances outstanding as at March 31, 2020

Nature of transactions	KMP	Director
Interest paid	-	47.06
Sitting fee	-	13.00
Commission paid	-	8.89
Rent received	-	5.17
<b>Managerial remuneration</b>		
Short-term benefits	179.97	-
<b>Balance outstanding</b>		
Investment	-	-
Advance given	-	-
Receivable	-	-
Loan Payable	-	265.00
Payable	-	-

## 38 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.

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
Total equity attributable to the equity shareholders of the company	8,563.57	7,761.23
As a percentage of total capital	47%	57%
Current borrowings	7,946.92	5,566.96
Non-current borrowings	1,833.63	349.74
Total borrowings	9,780.55	5,916.70
As a percentage of total capital	53%	43%
<b>Total Capital</b>	<b>18,344.12</b>	<b>13,677.93</b>

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.



# Notes

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## B) Categories of financial instruments

The fair value of financial instruments by categories as at 31 March 2021 and 31 March 2020:

(₹ in Lakhs)

Particulars	Carrying Value		Fair Value	
	As at March 31, 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Financial assets</b>				
(a) Trade receivables	4,428.65	3,453.75	4,428.65	3,418.92
(b) Cash and cash equivalents	1,282.14	1,076.60	1,282.14	625.60
(c) Loans	135.33	100.80	135.33	100.80
(d) Other financial assets	0.72	0.72	59.94	39.34
<b>Total</b>	<b>5,846.84</b>	<b>4,631.87</b>	<b>5,906.06</b>	<b>4,184.66</b>
<b>Financial liabilities</b>				
Measured at amortised cost				
(a) Trade payables	2,871.47	1,740.01	2,871.47	1,740.01
(b) Other financial liabilities	18.29	42.53	18.29	42.53
(c) Loans	9,780.55	5,916.70	9,780.55	5,916.70
(d) Lease liabilities	2.56	19.75	2.56	19.75
<b>Total</b>	<b>12,672.87</b>	<b>7,718.99</b>	<b>12,672.87</b>	<b>7,718.99</b>

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.

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. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

## 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.

# Notes

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## Trade receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
Revenue from top 5 customers	8,659.94	8,009.78
Revenue from top customer	3,311.80	3,636.03
Receivable from top 5 customers	2,089.80	1,450.26
Receivable from top customer	681.43	675.50

## Geographic concentration of credit risk

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

(₹ in Lakhs)

Country	As at	
	March 31, 2021	March 31, 2020
India	4,342.52	3,395.52
Rest of the world	86.13	58.23

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.

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

(₹ in Lakhs)

	As at March 31, 2021	Less than 1 year	1-3 Years	3-5 Years	Total
Borrowings	9,780.55	7,946.92	688.51	1,145.12	9,780.55
Trade payables	2,871.47	2,871.47			2,871.47
Lease Liabilities	2.56	1.47	1.09		2.56
Other financial liabilities	18.29	18.29			18.29



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(₹ in Lakhs)

	As at March 31, 2020	Less than 1 year	1-3 Years	3-5 Years	Total
Borrowings	5,916.70	5,831.96	84.74	-	5,916.70
Trade payables	1,740.01	1,740.01	-	-	1,740.01
Lease liabilities	19.75	18.66	1.09	-	19.75
Other financial liabilities	42.53	42.53	-	-	42.53

### 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:

MANAGEMENT POLICY	POTENTIAL IMPACT OF RISK	SENSITIVITY TO RISK
<b>(i) Interest rate risk</b>		
The company is exposed to interest rate risk because the company borrow funds at floating interest rates.	The company tries to minimise the risk impact by taking lowest quotes from the bank and pass on the risk to our vendors / customers wherever possible	If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2021 would decrease/increase by Rs 16.5 lakhs (Rs.10 Lakhs for March 31, 2020)
<b>(ii) Price risk</b>		
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.	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.	The prices of the Company's raw materials generally fluctuate in line with commodity cycles. Hence sensitivity analysis is not done
<b>(iii) Currency risk</b>		
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	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.	If the exchange rate increases by 1% impact on Trade Payables will increase by Rs. 5 lakhs, On debtors the benefit will increase by Rs. 3lakhs

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The following table sets forth information relating to foreign currency exposures as at March 31, 2021 and March 31, 2020

March 31, 2021				(₹ in Lakhs)
	USD	EURO	Others	Total
Total financial assets	128.25	139.00	3.12	270.37
Total financial liabilities	38.88	8.88	-	47.76

March 31, 2020				(₹ in Lakhs)
	USD	EURO	Others	Total
Total financial assets	1,812.90	211.79	-	2,024.69
Total financial liabilities	1,731.78	0.68	-	1,732.45

### 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 Lakhs)				
	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2021</b>				
<b>Financial assets:</b>				
Investments	59.94	-	-	59.94
<b>Total</b>	<b>59.94</b>	<b>-</b>	<b>-</b>	<b>59.94</b>
<b>As at March 31, 2020</b>				
<b>Financial assets:</b>				
Investments	39.34	-	-	39.34
<b>Total</b>	<b>39.34</b>	<b>-</b>	<b>-</b>	<b>39.34</b>

### 39 Employee benefits

#### (a) Defined contribution plan

The Company's contribution to Provident Fund aggregating Rs. 93.40 lakhs (March 31, 2020: Rs. 98.02 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.



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- (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, 2021 and March 31, 2020 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.

### Amount recognised in statement of profit and loss

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service cost		
Current service cost	27.34	27.85
Net interest expense	13.62	10.42
Immediate recognition of (gain)/losses-Other long term benefits	-	-
	<b>40.96</b>	<b>38.27</b>
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)	4.02	(0.84)
Actuarial gains and loss arising from changes in financial assumptions in DBO	(11.60)	29.56
Actuarial gains and loss arising from experience adjustments in DBO	(23.58)	12.02
Actuarial gains and loss arising from changes in Demographic assumptions in DBO	-	(2.28)
	<b>(31.16)</b>	<b>38.46</b>
<b>Total</b>	<b>9.80</b>	<b>76.73</b>

### Amount recognised in the Balance Sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	452.43	490.50
Fair value of plan assets	296.15	258.05
	<b>156.28</b>	<b>232.45</b>
Current portion of the above	43.51	52.08
Non current portion of the above	112.76	180.37

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening defined obligation	490.50	466.99
Expenses recognised in Profit and Loss Account		
- Current service cost	27.35	27.85
- Interest expense (income)	32.99	28.82
Recognised in other comprehensive income		
Remeasurement gains / (losses)		
- Actuarial gain (loss) arising from:		
i. Demographic assumptions	-	(2.28)
ii. Financial assumptions	(11.60)	29.56
iii. Experience adjustments	(23.58)	12.02
Benefit payments	(63.22)	(72.46)
Closing defined obligation	<b>452.44</b>	<b>490.50</b>

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening fair value of plan assets	258.05	311.27
Expenses recognised in Profit and Loss Account		
- Expected return on plan assets	19.37	18.40
Recognised in other comprehensive income		
Remeasurement gains / (losses)		
- Actual return on plan assets in excess of the expected return	(4.01)	0.84
Contributions by employer (including benefit payments recoverable)	85.97	-
Benefit payments	(63.22)	(72.46)
Closing fair value of plan assets	<b>296.16</b>	<b>258.05</b>

**i) The Major categories of plan assets**

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

**j) Actuarial assumptions**

1. Discount rate	7.19%	6.69%
2. Expected rate of return on plan assets	7.19%	6.69%
3. Salary escalation	9%	9%
4. Attrition rate	10%	10%
5. Retirement age	58	58
6. Mortality rate	As per IALM (2012-14) ultimate	As per IALM (2012-14) 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.



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- If the discount rate increases (decreases) by 1%, the defined benefit obligation would be decreased to Rs 429.23 lakhs (increase to Rs 478.34 lakhs) as at March 31, 2021.
- If the expected salary escalation increases (decrease) by 1%, the defined benefit obligation would be increases to Rs. 476.09 lakhs (decreases to Rs430.42 lakhs) as at March 31, 2021
- If the attrition rate increases (decreases) by 1%, the defined benefit obligation would be decreased to Rs.449.10 lakhs (increases to Rs.456.09 lakhs) as at March 31, 2021

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.

### Expected future Cash outflows towards the plan are as follows

Particulars	Amount
<b>Financial Year</b>	
2020-21	52.94
2021-22	62.74
2022-23	49.07
2023-24	44.44
2024-25	25.24
2025-26 to 2030-31	106.30
Payouts Above Ten Years	111.69
<b>Total</b>	<b>452.42</b>

## 40 Statement of Net assets and Profit or loss attributable for FY 20-21 and FY 19-20

### FY 20-21

(₹ in Lakhs)

Name of Entity	Net assets, i.e. total assets minus total liabilities		Share in profit or loss for the year ended March 31, 2021		Share in other comprehensive income for the year ended March 31, 2021		Share in total comprehensive income for the year ended March 31, 2021	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Holding Company</b>								
Triton Valves Limited	100.39%	8,596.84	106.44%	830.42	105.28%	23.32	106.41%	853.74
<b>Subsidiaries</b>								
Triton Valves Hong Kong Limited	0.52%	44.81	3.34%	26.07	-5.28%	(1.17)	3.10%	24.90
TritonValves Climatech Private Limited	-0.37%	(31.65)	-3.95%	(30.83)	0.00%	-	-3.84%	(30.83)
TritonValves Future Tech Private Limited	-0.54%	(46.43)	-5.83%	(45.49)	0.00%	-	-5.67%	(45.49)

# Notes

forming part of consolidated financial statements

FY 19-20		(₹ in Lakhs)						
Name of Entity	Net assets, i.e. total assets minus total liabilities		Share in profit or loss for the year ended March 31, 2020		Share in other comprehensive income for the year ended March 31, 2020		Share in total comprehensive income for the year ended March 31, 2020	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Holding Company</b>								
Triton Valves Limited	99.76%	7,742.94	96.81%	527.47	100%	(27.26)	96.47%	500.21
<b>Subsidiaries</b>								
Triton Valves Hong Kong Limited	0.26%	19.89	3.65%	19.89	-	-	3.84%	19.89
TritonValves Climatech Private Limited	0.00%	0.20	-0.15%	(0.80)	-	-	-0.10%	(0.80)
TritonValves Future Tech Private Limited	0.00%	0.20	0.00%	(0.80)	-	-	-0.10%	(0.80)

**41** Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial results including but not limited to its assessment of Group's liquidity and going concern, recoverable values of its property, plant and equipment (including capital work in progress), inventory and trade receivables, inventory and trade receivables. However, given the effect of these lockdowns on the overall economic activity and in particular on the automotive industry, the impact assessment of COVID-19 on the above mentioned financial results is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial results. The Group will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.

## 42 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on June 17, 2021

**43** Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

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

Swathishree K.R  
Company Secretary  
Membership No.A48365

Place : Bengaluru  
Date : June 17, 2021













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