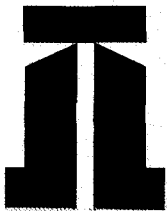


# 33rd Annual Report 2009



**TRITON**  
VALVES LTD.



# Triton Valves Limited

Sunrise Chambers, 22 Ulsoor Road, Bangalore - 560 042

## ATTENDANCE SLIP

I hereby record my presence at the Thirtythird Annual General Meeting held on Friday, the July 10, 2009 at 4.30 p.m. at Hotel Ajantha, 22-A, M.G. Road, Bangalore - 560 001.

Name of the Shareholder(s) .....  
(In Block Capitals)

Name of the Proxy or Company Representation .....  
(In Block Capitals)

Signature of Shareholder(s) or  
Proxy or Company Representation .....

- Note :
1. A Proxy attending on behalf of Shareholder(s) should write the name of the Shareholder(s) from whom he holds Proxy.
  2. Members are requested to bring their copy of the Annual Report with them to the Meeting as additional copies of the same will not be available at the Meeting.

Reg. Folio No. ....

\* Client ID No. ....

\* DP ID No. .... No. of shares held .....

\* Applicable for investors holding shares in electronic form.

# Triton Valves Limited

Sunrise Chambers, 22 Ulsoor Road, Bangalore - 560 042

## PROXY FORM

I / We.....of.....in the District of..... being a member / members of the above named Company hereby appoint Mr./Mrs. Ms.....of.....in the district of .....or failing him of.....in the district of ..... on my / our behalf at the Thirtythird Annual General Meeting of the company to be held on Friday, the July 10, 2009 at 4.30 p.m. at Hotel Ajantha, 22-A, M.G. Road, Bangalore - 560 001.

Signed this ..... day of ..... 2009

Reg. Folio No. .... No. of shares held.....

\* Client ID No. .... \* DP ID No. ....

Note: The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited at the Registered Office of the company not less than FORTY-EIGHT HOURS before the time fixed for holding the meeting.

\* Applicable for investors holding shares in electronic form.

15ps.  
Revenue  
Stamp

(Signature)

## CONTENTS

Ten years at a Glance	2
Board of Directors	3
Notice	4
Directors' Report	7
Annexure to Directors' Report	9
Management Discussion and Analysis	10
Corporate Governance	12
Compliance Certificate	17
Auditors' Report	20
Balance Sheet	23
Profit and Loss Account	24
Schedules to the Accounts	25
Cash Flow Statement	38
Balance Sheet Abstract	40

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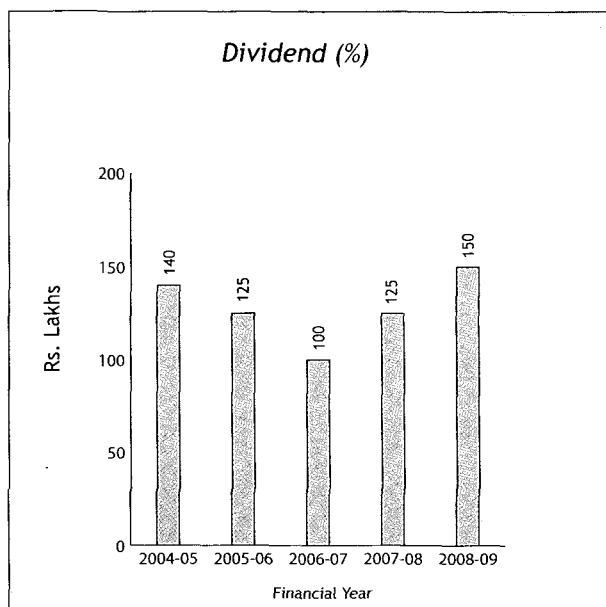
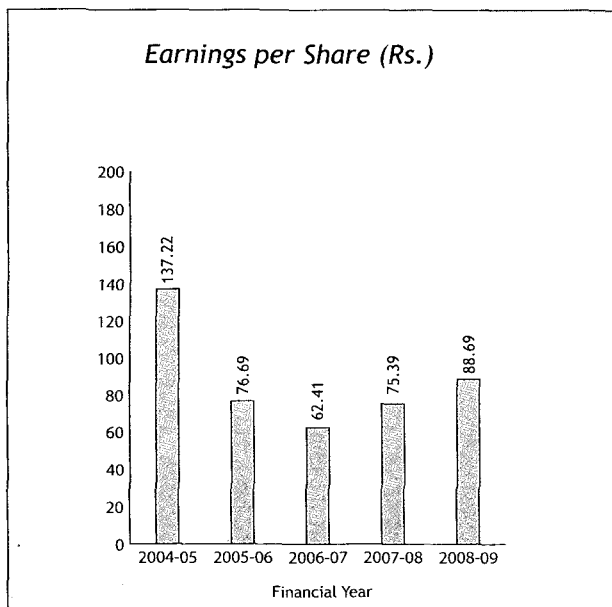
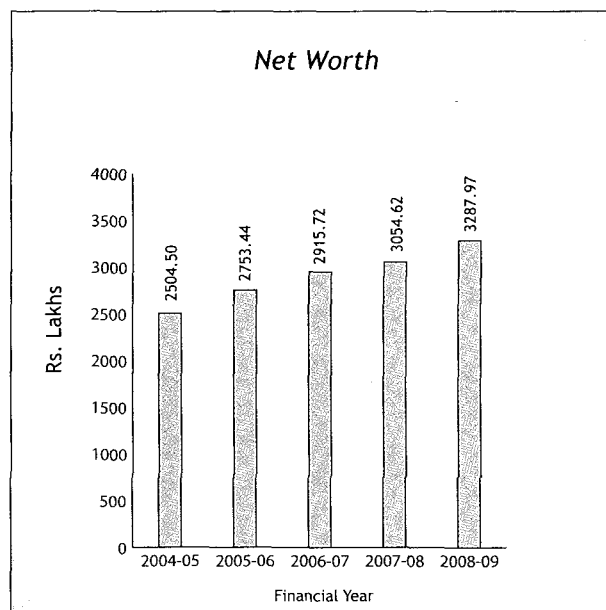
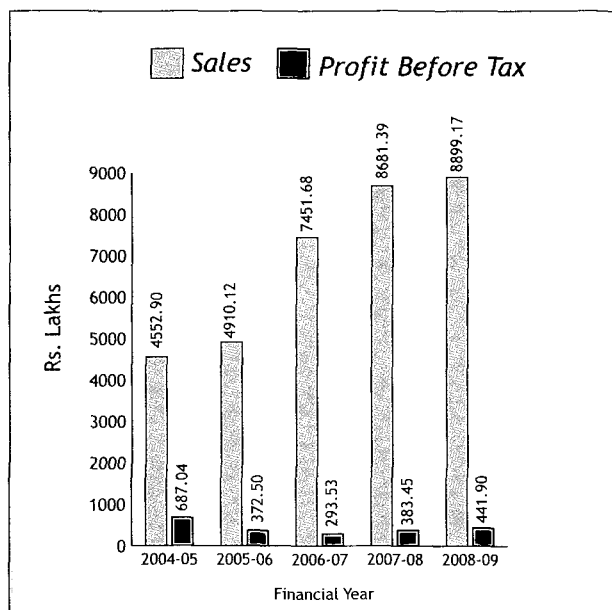
### General Information for Shareholders:

1. Time & Date of AGM : 4.30 PM on Friday, July 10, 2009
2. Venue of AGM : Hotel Ajantha, 22-A, M. G. Road, Bangalore-560001
3. Dates of Books closure : July 01, 2009 to July 10, 2009
4. Financial Year : April to March
5. Dividend Payment Date : Before 9th August, 2009
6. The equity shares of Rs. 10/- each listed at : Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai-400 001.  
  
Bangalore Stock Exchange Limited  
Stock Exchange Towers,  
51, 1st Cross, J. C. Road,  
Bangalore-560 027.
7. Registered Office : Sunrise Chambers  
22, Ulsoor Road, Bangalore - 560 042.

## TEN YEARS PERFORMANCE AT A GLANCE

Rs. Lakhs

Particulars	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Sales	2878.89	3149.34	3007.65	3553.86	4026.71	4552.90	4910.12	7451.68	8681.39	8899.17
Profit Before Tax	339.03	210.93	257.52	661.40	739.83	687.04	372.50	293.53	383.45	441.90
Profit After Tax	203.03	100.93	150.17	365.40	418.81	439.13	245.43	199.72	241.24	283.82
Dividend	80%	55%	72%	150%	150%	140%	125%	100%	125%	150%
Earnings per Share	63.45	31.54	46.93	114.18	130.87	137.22	76.69	62.41	75.39	88.69
Gross Fixed Assets	1159.30	1252.95	1371.41	1399.91	1431.32	1528.08	1796.44	2372.06	3664.40	4412.69
Net Worth	1270.85	1352.38	1429.51	1749.69	2116.03	2504.50	2753.44	2915.72	3054.62	3287.97





## **BOARD OF DIRECTORS**

P.P. Prabhu, Chairman

Anuradha M. Gokarn, Managing Director

N.S.S. Murthy

Dr. M.N. Srinivasan

M.R. Hosangady

Dr. B.R. Pai

Ram Bajekal (Upto 23<sup>rd</sup> March 2009)

D. Albert Irudayaraj, Director Manufacturing (upto 7<sup>th</sup> May 2008)

Aditya M. Gokarn, Executive Director

## **BANKERS**

HDFC Bank Limited

Citibank N.A.

Standard Chartered Bank

Kotak Mahindra Bank

## **AUDITORS**

Brahmayya & Co.,

Chartered Accountants

10/2, Kasturba Road

Bangalore - 560 001.

## **REGISTERED OFFICE**

Sunrise Chambers

22, Ulsoor Road,

Bangalore - 560 042

## **FACTORY**

Mercara Road

Belavadi

Mysore - 570 018

## **SHARE TRANSFER AGENT**

Canbank Computer Services Ltd.,

J P Royale, 1st Floor,

218, 2nd Main, Sampige Road,

Malleswaram,

Bangalore - 560003

## **NOTICE**

Notice is hereby given that the Thirtythird Annual General Meeting of Triton Valves Limited will be held at Hotel Ajantha, 22-A, M.G.Road, Bangalore-560001 on Friday the 10<sup>th</sup> of July 2009 at 4.30 P.M to transact the following business:

### **Ordinary Business**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009, Profit and Loss Account for the year ended on that date, the reports of the Board of Directors & Auditors and Compliance Certificate thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. M.R.Hosangady who retires by rotation and being eligible, offers himself for re- appointment.
4. To appoint a Director in place of Mr.P.P.Prabhu who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

### **Special Business**

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a "SPECIAL RESOLUTION".

"RESOLVED THAT, pursuant to the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003 (hereinafter referred to as the "Delisting Guidelines") and subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), Securities Contracts (Regulation) Act, 1956 and the Rules made there under, Listing Agreement, and all other applicable rules, regulations and guidelines and subject to the approval of the Stock Exchanges where the shares of the Company are listed, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to delist the equity shares of the Company from The Bangalore Stock Exchange Limited, Bangalore (BgSE) with immediate effect.

RESOLVED FURTHER THAT, for the purpose of giving effect to this Resolution, the Board of Directors or any Committee thereof be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary for the purpose."

By order of the Board of Directors of  
Triton Valves Limited

**ANURADHA M. GOKARN**  
Managing Director

Bangalore  
15<sup>th</sup> May 2009

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



## NOTES

1. The Explanatory Statement in regard to special business as required pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. The Instrument appointing the proxy, in order to be valid, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 1st July 2009 to 10<sup>th</sup> July 2009 (both days inclusive).
5. The dividend recommended by the Board, if approved at the Annual General Meeting, will be paid on or before 9<sup>th</sup> August 2009 to the Shareholders whose names appear in the Register of Members of the Company as on 1<sup>st</sup> July 2009 in respect of shares held in physical form and in respect of shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as at the close of business hours on 1<sup>st</sup> July 2009.
6. Members who wish to claim dividends, which remain unclaimed, are requested to either correspond with the Corporate Secretarial Department at the Company's Registered Office or the Company's Registrar and Share Transfer Agent, Canbank Computer Services Limited, 218, J.P.Royale, 1<sup>st</sup> Floor, 2<sup>nd</sup> Main, Sampige Road, Malleswaram, Bangalore-560 003. Members are requested to note that dividends remaining unpaid or unclaimed for a period of seven years from the date they became due for payment will, as per Section 205A(5) read with Section 205C of the Companies Act, 1956, be transferred to the Investors Education and Protection Fund. The Company has transferred the unclaimed dividend up to the financial year ended 31<sup>st</sup> March 2001 to the Fund.

After completion of seven years as aforesaid, no claims shall lie against the Investors Education and Protection Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims.

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

Particulars	Mr.P.P.Prabhu	Mr.M.R.Hosangady
Date of birth	May 21, 1940	November 11, 1926
Date of appointment	January 31, 2003	September 25, 1991
Qualifications	M.Com	B.E.
Expertise in specific functional area	Wide experience in Government and Corporate Management	Wide experience in Corporate Management
Directorships held in other Public Companies	Tata Coffee Ltd. Bhoruka Power Corpn. Ltd.	Ester Industries Ltd. AFD Industries Ltd.
Memberships/Chairmanships of Committees of other Public Companies (includes only Audit and Shareholder Grievance Committee)	Bhoruka Power Corpn. Ltd.	Nil
No. of shares held in the Company	Nil	Nil

By order of the Board of Directors  
ANURADHA M. GOKARN  
Managing Director

Bangalore  
15<sup>th</sup> May 2009  
Registered Office:  
Sunrise Chambers  
22, Ulsoor Road,  
Bangalore - 560 042

## EXPLANATORY STATEMENT UNDER SECTION 173(2) OF COMPANIES' ACT, 1956

### Item 6-

The shares of the Company are presently listed on the Bombay Stock Exchange Limited (BSE) and the Bangalore Stock Exchange Limited (BgSE).

The shares of the Company are at present being traded only on the BSE. There has been no trading on the BgSE as the Regional Stock Exchanges do not have a trading platform. Recently SEBI has permitted listed Companies to delist from the Regional Stock Exchanges if the Company's shares are listed on any National level Stock Exchange. In accordance with the guidelines of SEBI, the Board of Directors of the Company have proposed to delist the shares of the Company from the BgSE. The shares of the Company would continue to be listed on the BSE.

In accordance with the SEBI Guidelines the approval of the members by way of a Special Resolution is required for enabling voluntary delisting of the securities from the stock exchanges. Accordingly the approval of the shareholders is sought.

The Board recommends the Resolution for approval of the members.

None of the Directors of the Company is interested or concerned in the Resolution.



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Thirtythird Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2009.

	31.03.2009 (Rs. Lakh)	31.03.2008 (Rs. Lakh)
<b>1. Financial Results</b>		
Profit Before Tax	441.90	383.45
Provision for Taxation	158.08	142.21
Profit After Tax	283.82	241.24
Add: (a) Excess Provision written back	5.69	-
(b) Balance Brought Forward	157.00	112.56
Profit available for appropriation	446.51	353.80
<b>2. Appropriations</b>		
Proposed Dividend on equity shares	48.00	40.00
Tax on Dividend	8.16	6.80
General Reserve	200.00	150.00
Balance Carried Forward	190.35	157.00
	446.51	353.80

### 3. Dividend

Your Directors are pleased to recommend a dividend of Rs. 15 per Equity Share (150%) for the Financial Year ended 31<sup>st</sup> March 2009.

### 4. Performance

The Company's sales turnover net of excise duty and discount increased to Rs. 78.37 crore as against Rs. 74.69 crore in the previous year. Sales volumes registered good growth during the first half of the year but fell steeply in the second half on account of the slow-down in the automotive industry. Overall sales were flat despite which Profit after Tax increased from Rs. 2.41 crore to Rs. 2.84 crore on a year-on-year basis. The Company was able to manage costs effectively through the recession to ensure that margins were maintained.

### 5. Prospects for the Financial Year 2009-2010

The Company expects incremental growth during the Financial Year 2009-2010. The macro-economic conditions are expected to improve gradually through the financial year 2009-10. Although the automobile industry is expected to do better than in 2008-09, the outlook remains cautious. Raw material prices are expected to remain volatile.

### 6. Directors

Mr.P.P.Prabhu and Mr.M.R.Hosangady retire by rotation at the Annual General Meeting and being eligible have offered themselves for re-appointment.

Mr. Ram Bajekal, Director resigned from the Board w.e.f. 23<sup>rd</sup> March 2009. The Board places on record its appreciation of the valuable services rendered by him during his tenure as a Director.

### 7. Auditors

The Statutory Auditors of the Company, M/s Brahmayya & Co., Bangalore, retire at the conclusion of this Annual General Meeting and are eligible for re-appointment.

## **8. Employee Relations**

Employee Relations continued to be cordial during the year.

## **9. Particulars of Employees under Section 217(2A)**

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of employees) Rules, 1975, is forming part of the Annexure to this report.

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

Information required to be furnished pursuant to Section 217(1)(e) of the Companies Act 1956 read with Companies (Disclosure of Particulars in the Report of Directors) Rules 1988 is set out in the Annexure to this report.

## **11. Listing with Stock Exchanges**

As per the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges, the Company hereby declares that the listings of its shares continued throughout the year with the following Exchanges and that the Company has paid the listing fees up to date:

- (i) The Stock Exchange Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.
- (ii) The Bangalore Stock Exchange, Stock Exchange Towers, 51, 1<sup>st</sup> Cross, J.C. Road, Bangalore - 560 027.

## **12. Directors' Responsibility Statement as required under Section 217(2AA) of the Companies' Act 1956**

Your Directors, on the basis of information made available to them by the Management and the Auditors wish to place on record:

- (i) That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for that period.
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the annual accounts have been prepared on a going concern basis.

## **13. Secretarial Compliance Certificate**

The Compliance Certificate obtained from a Company Secretary in whole time practice in accordance with Section 383(A) of the Companies Act 1956 and the rules made thereunder is annexed to this report.

## **14. Acknowledgements**

Your Directors thank the customers and vendors for their continued support to your Company's growth. Your Directors place on record their appreciation of the support given by HDFC Bank, Standard Chartered Bank, Citibank and Kotak Mahindra Bank for meeting the long term and working capital needs of the Company.

Your Directors are grateful to the State Government for their continued support to the Company's endeavours.

Your Directors are thankful to the esteemed shareholders for their support and encouragement. They also wish to place on record their appreciation of the contribution made by employees at all levels.

For and on behalf of the Board of Directors

Bangalore  
15<sup>th</sup> May 2009

P.P.PRABHU  
CHAIRMAN



## ANNEXURE TO DIRECTORS' REPORT

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

### 1. A CONSERVATION OF ENERGY

- I. Power factor of power supplied from Karnataka Power Transmission Corporation Limited (KPTCL) is monitored and maintained at 0.95.
- II. Down rating of motors on certain machines and introduction of Auto Switch-off to avoid idle run on some more machines this year led to modest saving in energy.
- III. A.C. variable drives introduced in two areas during the year to save energy.

### B. TECHNOLOGY ABSORPTION

- I. More productive machines introduced in specific areas.
- II. New products developed to meet customer specific requirements.

### BENEFITS

- I. Product range has been widened
- II. Productivity has improved
- III. Overtime has reduced

### FUTURE PLAN OF ACTION

- I. To increase automation levels
- II. To develop alternative materials for valve inserts

### Expenditure on Research & Development

	(Rs. Lakh)
(i) Capital	Nil
(ii) Recurring	Rs. 31.85
Total	Rs. 31.85
Total R&D expenditure as a percentage of turnover	0.36 %

### C. Foreign Exchange Earnings and Outgo

	Equivalent in Rupees
Foreign exchange earned through exports (vide note No.23, Schedule 15 Part II)	Rs. 100.25 lakh
Foreign exchange used (vide note No.22, Schedule 15 Part II)	Rs. 1170.97 lakh

Statement of Particulars of Employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956.

Employed for full year:

Name(Age)	Designation/ Nature of duties	Remuneration received (Rs.)	Qualification (Experience in Years)	Date of commencement of employment	Previous employment
Mrs.Anuradha Gokarn (66)	Managing Director	2,870,527	M.Phil (27)	01.10.1986	Sri Shikshayatan College

For and on behalf of the Board of Directors

Bangalore  
15<sup>th</sup> May 2009

P.P.PRABHU  
CHAIRMAN

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure and Developments

The Financial Year 2008-09 witnessed a global financial crisis which had a severe impact on the Indian automobile industry. Sales in the Passenger Car segment remained flat, while sales in the Commercial Vehicles segment fell by a steep 21.68%. The two-wheeler segment recorded marginal growth of 2.6%. Overall, domestic sales of automobiles remained flat during the year.

The impact of the global economic slow-down was also seen in the tyre industry. While tyre production grew by hardly 1%, tube production fell by 2% during the year. The major contributors to the fall in tube production were the passenger car and the commercial vehicle segments.

As a result of the slow down in the automobile industry in general, volume sales remained flat during the year. However, sales revenues recorded an increase of 5% on account of higher selling prices during the first half of the year.

### Opportunities and Threats

Your Company has been continuously assessing the emerging opportunities for exponential growth. In spite of the slow-down, tyre and tube manufacturing capacities continue to be added in the country. Your Company views this as an important positive development. The year 2009-10 is also expected to see a sharp increase in the use of tubeless tyres. Consequently, the demand for tubeless valves is likely to show strong growth.

Your Company views the macro-economic uncertainties as the primary threat during the year ahead. The slow down in the industry has resulted in some segments shrinking in size consequently intensifying competition. Capacity additions by competitors are also a potential threat.

### Segment-wise Performance

The Company manufactures automobile tyre valves, valve cores and accessories. The sales figures net of discounts and excise duties in the domestic and export segments are shown below:

	(Rs. Crore)	
	2008-2009	2007-2008
Overall Sales	78.37	74.69
Domestic Sales	77.37	72.80
Export Sales	1.00	1.89

### Outlook

Your Company expects incremental growth in volumes during the year ahead. The automobile industry is projected to perform better than in 2008-09. The tyre industry has also been showing signs of a recovery. However, it is widely believed that a complete recovery in the automobile industry would be witnessed only in 2010.

### Risks and Concerns

The Company is dependent on three commodities, namely copper, zinc and synthetic rubber. Volatility in the commodity markets has a direct impact on raw material costs and profit margins. Although commodity prices have corrected over the second half of 2008-09, the scenario continues to be unpredictable.

Automobile sales continue to remain at the mercy of inflation, limited availability of credit and tight liquidity in the economy in general. Export markets remain under the influence of the financial crisis in the United States of America where passenger car sales dropped sharply in 2009.

### Internal Control Systems and Their Adequacy

The Company has proper and adequate systems of internal controls. Internal audits and checks are carried out at regular intervals. An audit committee headed by an Independent Director reviews control systems and their adequacy.



### Discussion on Financial Performance with respect to Operational Performance

The details of the financial performance of the Company appear in the Balance Sheet, Profit and Loss Account and other financial statements. Highlights for the year 2008-09 are as under:

	Rs. Crore
	2008-2009
Sales net of discounts and excise duty	78.37
Other Income	0.28
Profit before tax	441.90

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2009 appearing separately.

### Human Resources

Human Resources is a key focus area of the Company. The Company endeavors to attract and develop the best talent available in each area of its operations. The Company's policy is to create a conducive environment for its employees to ensure a mutually rewarding experience.

### Cautionary Statement

Certain statements in the Management Discussion and Analysis describing the Company's views about the industry, expectations, objectives, etc... may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Factors like supply and demand situations, input prices and their availability, changes in Government regulations, economic developments, etc... may influence the Company's operations or performance.

## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2008-09

### Company's Philosophy on Corporate Governance

The Company has been committed to the highest standards of Corporate Governance since its inception. Corporate Governance encompasses the values, ethics and the best business practices followed by the Company. The Company believes that a strong Corporate Governance policy is indispensable for healthy business growth and is an important instrument of investor protection. Good Corporate Governance provides an appropriate framework for the Board and the Management to achieve the objectives that are in the interest of the Company and the Shareholders.

### Board of Directors

- i. The Board of Directors of the Company consists of two Executive and five Non-executive Directors. The Chairman of the Board is Non-executive and Independent. Three out of seven are Independent Directors.
- ii. The Board of Directors met four times during the year on 12<sup>th</sup> May 2008, 10<sup>th</sup> July 2008, 17<sup>th</sup> October 2008 and 20<sup>th</sup> January 2009.
- iii. The particulars of Directors and their attendance at Board Meetings are given below:

Name of Director	Category	Number of Board Meetings attended	Whether attended last AGM	Number of Directorship in other Indian companies
Mr. P.P.Prabhu	Non-executive Independent Director	2	No	2
Mrs. Anuradha M Gokarn	Managing Director	4	Yes	
Mr. N.S.S. Murthy	Non-executive Director	4	Yes	
Mr. M.R.Hosangady	Non-executive Director	4	Yes	2
Dr. M.N.Srinivasan	Non-executive Independent Director	3	Yes	
Dr. B.R.Pai	Non-executive Independent Director	4	Yes	
Mr.Aditya M Gokarn	Executive Director	4	Yes	
Mr.Ram Bajekal	Non-executive Independent Director	4	No	

### Audit Committee

- i. The Audit Committee was constituted by the Board in its Meeting held on 22<sup>nd</sup> January 2006. The Committee consists of three members all of whom are Non-executive Directors and two members are Independent Directors. The Chairman of the Committee is an Independent Director. The Managing Director, the Executive Director, Internal Auditors and Statutory Auditors are invitees to the Meetings. The Financial Controller of the Company acts as the Secretary to the Audit Committee.
- ii. The Terms of Reference of the Audit Committee are as set out hereunder:
  - To oversee the financial reporting system of the Company.
  - To review with the Management the financial statements of every quarter before submission to the Board.
  - To review the annual financial statements and Auditors' report thereon.
  - To review the scope and coverage of the Internal Audit function and reporting structure.
  - To review the efficiency of the internal control systems.
  - To review the findings of any internal investigation and to report these to the Board.



- To review the Company's financial and risk management policies and strategies.
- To recommend the appointment of External Auditors and Internal Auditors and fixation of their fees.
- To monitor the quality of Internal and Statutory Audit.

The constitution of the Audit Committee and the attendance of each member of the Committee during the year are given below:

Name	Category	No. of Meetings held	No. of Meetings attended
Mr.P.P.Prabhu	Non Executive-Independent	4	2
Mr.N.S.S.Murthy	Non Executive-Promoter	4	4
Dr.B.R.Pai	Non Executive-Independent	4	4

In the absence of Mr.P.P.Prabhu, Chairman of the Audit Committee who could not attend the Annual General Meeting held on 10<sup>th</sup> July 2008 due to illness, Dr.B.R.Pai who was appointed as Chairman in place of Mr. P.P. Prabhu was present.

#### Remuneration Committee:

The Remuneration committee decides/reviews and recommends to the Board of Directors, the remuneration payable to Managing Director & Executive Directors. The Board of Directors approves the remuneration recommended by the Remuneration Committee subject to approval of the Shareholders.

The Non-Executive Directors are not paid any remuneration except for the sitting fees for attending the Board Meetings/Committee Meetings.

The Resolutions for the appointment and remuneration payable to the Executive Directors are approved by the Shareholders of the Company.

The remuneration to Executive Directors consists of a fixed salary and other perquisites. The Leave Travel Allowance, Provident Fund & Superannuation are paid as per Company's policy. Wherever applicable, the perquisites are considered a part of remuneration and taxed as per Income Tax Laws. Commission as recommended to the Board by the Remuneration Committee is paid in accordance with the provisions of the Companies Act, 1956.

The Remuneration Committee consists of Mr. P.P.Prabhu as Chairman and Dr. M.N.Srinivasan, Dr.B.R.Pai as members. All the Members of the Remuneration Committee are Independent Directors.

#### Details of Remuneration paid to Directors during 2008-09

Name of Director	Sitting Fees	Salaries & Perquisites	Commission
Mr.P.P.Prabhu	20,000		
Mrs. Anuradha M Gokarn		2,603,050	66,477
Mr.N.S.S.Murthy	40,000		
Mr.M.R.Hosangady	20,000		
Dr.M.N.Srinivasan	15,000		
Dr.B.R.Pai	40,000		
Mr.Aditya M Gokarn		1,564,654	
Mr.Ram Bajekal	20,000		

## Details of Annual/Extraordinary General Meetings

Location and time of General Meetings held since 2006

Year	AGM/EGM	Location	Date	Time
2006	AGM	Hotel Ajantha, 22-A, MG Road, Bangalore-560001	31.07.2006	4.00 PM
2007	AGM	Hotel Ajantha, 22-A, MG Road, Bangalore-560001	30.07.2007	4.30 PM
2008	AGM	Hotel Ajantha, 22-A, MG Road, Bangalore-560001	10.07.2008	4.30 PM

### Disclosures:

(i) Significant related party transactions:

The Company has transacted purchase of goods and job work of aggregate value of Rs.23.31 lakhs with M/s Suvardhan Specialty Toolings Division, Mysore, a partnership firm in which Mrs. Anuradha M. Gokarn - Managing Director and Mr. Aditya M. Gokarn - Executive Director are interested as Partners. Except this, there is no other transaction of material nature entered into by the Company with related parties i.e. Directors, Management and relatives.

(ii) There are no non-compliances, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authorities on any matter related to the Capital Markets during the last three years.

### Means of Communication:

Quarterly results are published in one English daily (The Business Standard) and in one Kannada daily (Samyukta Karnataka). All quarterly results are sent to Stock Exchanges. The financial results are displayed on the Company's website [www.tritonvalves.com](http://www.tritonvalves.com) and on the Bombay Stock Exchange website [www.bseindia.com](http://www.bseindia.com). The Management Discussion & Analysis is attached to the Directors' Report and forms a part of this Annual Report.

### General Shareholders' Information:

1.	Time & Date of AGM	4.30 PM on 10 <sup>th</sup> July 2009
2.	Venue of AGM	Hotel Ajantha, 22-A, M.G.Road, Bangalore-560001
3.	Dates of Book closure	July 01, 2009 to July 10, 2009
4.	Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March.
5.	Dividend Payment Date	On or before 9 <sup>th</sup> August 2009.
6.	The equity shares of Rs.10/- each listed at	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 Bangalore Stock Exchange Limited, Stock Exchange Towers, 51, 1 <sup>st</sup> Cross, J.C.Road, Bangalore-560027
7.	Registered Office	Sunrise Chambers, 22, Ulsoor Road, Bangalore-560 042.
8.	Stock Code	505978
9.	Demat ISIN No.	INE440G01017
10.	Registrar & Transfer Agents	Canbank Computer Services Limited, 218, J.P.Royale, 1 <sup>st</sup> Floor 2 <sup>nd</sup> Main, Sampige Road, Malleswaram, Bangalore-560 003.
11.	Investor correspondence	The investor correspondence may be addressed to: V.Sridhar Compliance Officer, Triton Valves Limited, Sunrise Chambers, 22, Ulsoor Road, Bangalore-560042





## 12. Stock Market Price Data (BSE)

Month	Triton Valves Share Price		BSE SENSEX	
	High	Low	High	Low
Apr-08	1943.10	1241.00	17480.74	15297.96
May-08	1750.00	1352.00	17735.70	16196.02
June-08	1470.00	1096.70	16632.72	13405.54
July-08	1395.00	1001.00	15130.09	12514.02
Aug-08	1390.00	1190.00	15579.78	14002.43
Sept-08	1471.00	1001.00	15107.01	12153.55
Oct-08	1173.00	691.00	13203.86	7697.39
Nov-08	845.00	526.25	10945.41	8316.39
Dec-08	754.95	490.00	10188.54	8467.43
Jan-09	680.00	500.00	10469.72	8631.60
Feb-09	550.00	482.00	9724.87	8619.22
Mar-09	550.00	456.00	10127.09	8047.17

## 13. Distribution of Shareholding as on 31.03.2009

No. of Equity shares held	No. of Shares	No. of Shareholders	% of Shareholders
1-500	109971	5777	99.40
501-1000	11684	16	0.28
1001-5000	29233	12	0.21
5001-10000	0	0	0.00
10001 & above	169121	7	0.11

## 14. Shareholding Pattern as on 31.03.2009

Category	No. of Shares held	% of shareholding
<b>Promoters' Holding:</b>		
-Indian Promoters	154992	48
-Foreign Promoters	Nil	0
Persons Acting in Concert	Nil	0
Sub- total	154992	48
<b>Non Promoter Holding:</b>		
-Mutual Funds	Nil	0
-Banks, financial Institutions, Insurance companies	10446	3
Sub-Total	10446	3
<b>Others:</b>		
Private Corporate Bodies	13694	4
Indian Public	139651	45
NRIs/OCBs	1226	0
Sub-Total	154571	49
<b>Grand Total</b>	<b>320009</b>	<b>100</b>

The Company's shares are dematted with effect from April 2004 and trading in the Company's shares is permitted only in demat mode. As on 31<sup>st</sup> March 2009, 164253 shares (51.33%) are held in demat form and 155726 shares (48.67 %) in physical form.

### **Share Transfer system**

The transfer/transmission of shares in physical form is normally processed and completed within 21 days from the date of receipt of the request. In the case of shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.

There were no cases of loss of Share Certificate and no complaints either from SEBI or the Stock Exchanges. Seventeen Dividend warrants were returned undelivered. There were 33 investor grievances during the year and all have been addressed, hence at end of the year no complaint was pending.

## **AUDITORS' COMPLIANCE CERTIFICATE**

To the Members of Triton Valves Limited

We have examined the compliance of conditions of Corporate Governance by Triton Valves Limited for the year ended 31<sup>st</sup> March 2009, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement(s).

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March 2009, no investor grievance is pending for a period exceeding one month as per the records maintained by the Company.

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

For BRAHMAYYA & CO  
CHARTERED ACCOUNTANTS

S.GOVINDA RAO  
Partner  
Membership No.20546

Place: Bangalore  
Date: 15<sup>th</sup> May 2009



## SECRETARIAL COMPLIANCE CERTIFICATE

We have examined the registers, records, books and papers of **TRITON VALVES LIMITED** (the Company) as required to be maintained under the Companies Act 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2009**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, subject to our comments therein with the Registrar of Companies.
3. The Company being a Public Limited Company comments are not required.
4. The Board of Directors duly met 4 (four) times on 12.05.2008, 10.07.2008, 17.10.2008 & 20.01.2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including Circular Resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members, from 01.07.2008 to 10.07.2008 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2008 was held on 10.07.2008 after giving due notice to the Members of the Company and the Resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and / or persons or firms or Companies referred in the Section 295 of the Act during the financial year.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that Section.
10. The Company has made the necessary entries in the Register maintained under Section 301 of the Act.
11. As informed to us by the Company there were no instances falling within the purview of Section 314 of the Act during the financial year.
12. The Company has not issued any duplicate Share Certificates during the financial year.
13. The Company has
  - i. Delivered all the Certificates on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act and there was no allotment of securities by the Company during the financial year.
  - ii. Deposited the amount of dividend declared in a separate Bank Account on 01.08.2008 which is within five days from the date of declaration of such dividend.
  - iii. Paid / posted warrants for dividends (by means of cheques / demand drafts / pay orders) to all the members within a period of 30 (thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to the Unpaid Dividend Account of the Company with HDFC Bank on 1<sup>st</sup> September 2008.
  - iv. Transferred the amount(s) in unpaid dividend account and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund; and
  - v. The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointments of Directors/ Additional Directors have been duly made and there was no appointment of Alternate Directors and Directors to fill vacancies during the financial year.

15. The appointment of Managing Director/Whole-time Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act and no approval of the Central Government was required to be obtained in respect of the same.
16. The Company has not appointed any Sole-Selling Agent during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares / debentures / other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not redeemed preference shares / debentures during the year.
22. The Company has not kept in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares during the financial year.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 / the applicable directions issued by the Reserve Bank of India / any other authority during the financial year.
24. The amounts borrowed by the Company from Directors, Members, Public, Financial Institutions, Banks and Others during the financial year ending 31.03.2009 are within the borrowing limits of the Company sanctioned by necessary resolution passed as per Sec. 293 (1) (d) of the Act in the 31<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> July 2007.
25. The Company has not advanced loans or made investments or given guarantees or provided securities to other bodies Corporate during the financial year.
26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. No Show Cause Notice has been received by the Company under the Companies Act, 1956, nor has any prosecution been launched or penalty imposed against the Company.
32. The Company has not received any money as security from its employees during the year under certification falling within the purview of Section 417(1) of the Act.
33. The Company has deposited both Employees' and Employer's contribution to the Employees Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

Place: Bangalore  
Date: 15<sup>th</sup> May 2009

P.G.HEGDE  
Hegde & Hegde  
Company Secretaries  
C. P. No. 640



## ANNEXURES TO COMPLIANCE CERTIFICATE OF EVEN DATE

### Annexure A

#### Registers as maintained by the Company

1.	Register of Charges	:	S 143
2.	Register of Members	:	S 150 / 151
3.	Register of Share Transfers		
4.	Register of particulars of contracts	:	S 301
5.	Register of Directors / Managing Directors	:	S 303
6.	Register of Directors' Shareholdings	:	S 307
7.	Register of Investments & Loans	:	S 372A
8.	Board Meeting Minutes Book	:	S 193 / 196
9.	General Meeting Minutes Book	:	S 193 / 196
10.	Books of Accounts & Cost Records	:	S 209

#### Notes:

1. The Register of Members and Register of Share Transfers are maintained in electronic form by the Registrars and Share Transfers Agents of the Company.
2. The Company has informed that it has maintained Cost Account Books and records as prescribed in the order of the Central Government u/s.209(1)(D) of the Act. However we have not verified the same.

### Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31<sup>st</sup> March, 2009 (as per the copies of returns made available by the Company).

- 1 Form 23AC & 23ACA Balance Sheet and Profit & Loss Account for the financial year ended 31.03.2008.
- 2 Form 66 Compliance Certificate filed u/s 383A for the financial year ended 31.03.2008.
- 3 Form 20B Annual Return made up to 10.07.2008 filed u/s 159.
- 4 Form 32 dated 07.05.2008, filed u/s 303(2) for resignation of Whole-time Director (filed on 09.08.2008 with additional fees).
- 5 Form 32 dated 10.07.2008 filed u/s 303(2) for appointment of a Director in AGM.
- 6 Form 32 dated 20.06.2008 filed u/s. 303(2) for appointment of Whole-Time Director (filed on 09.08.2008 with additional fees).
- 7 Form 25C dated 20.06.2008 filed u/s 269(2) and Schedule-XIII of the Companies Act, 1956 for appointment of Whole-Time Director.
- 8 Form 1 INV dated 26.11.2008 filed pursuant to rule 3 of the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.
- 9 Form 8 dated 05.07.2008 filed u/s. 125/127 in respect of modification of charge created in favour of HDFC Bank Limited
- 10 Form 8 dated 09.08.2008 filed u/s. 125/127 for creation of charge in favour of Kotak Mahindra Bank Limited.
- 11 Form 8 dated 17.12.2008 filed u/s. 125/127 in respect of modification of charge created in favour of Citibank N.A.
- 12 Form 8 dated 29.12.2008 filed u/s. 125/127 in respect of modification of charge created in favour of Citibank N.A.
- 13 Form 8 dated 03.02.2009 filed u/s. 125/127 in respect of modification of charge created in favour of Kotak Mahindra Bank Limited.
- 14 Form 8 dated 18.03.2009 filed u/s. 125/127 in respect of modification of charge created in favour of Standard Chartered Bank.

With the Registrar of Companies, Karnataka.

## AUDITORS' REPORT TO THE MEMBERS OF TRITON VALVES LIMITED

We have audited the attached Balance Sheet of TRITON VALVES LIMITED, BANGALORE as at 31st March 2009 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (iii) The Balance Sheet, Profit and Loss Account dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the Directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st, March 2009 from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
    - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.
    - (c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Brahmayya & Co.,  
Chartered Accountants.

(S. GOVINDA RAO)  
Partner  
Membership No. 20546

Place: Bangalore  
Date: 15<sup>th</sup> May 2009

## ANNEXURE TO AUDITORS' REPORT

(Refer to paragraph 2 of our report of even date to the Members of Triton Valves Limited)

1. The Company has maintained proper records to show full particulars, including quantitative details and situation of Fixed Assets.
2. These Fixed Assets have been physically verified by the Management during the year.
3. No substantial part of the Fixed Assets of the Company has been disposed off during the year.
4. Physical verification of the inventory has been conducted by the Management at regular intervals.
5. The procedures of physical verification of inventory followed are reasonable and adequate in relation to the size of the Company and the nature of its business.
6. The Company has maintained proper records of inventory and the discrepancies noticed which are not material have been properly dealt with in the books of account.
7. The Company has neither granted nor taken any loans, secured or unsecured to or from Companies, Firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
8. As per the explanations given to us and the records produced, the Company has an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods.
9. In our opinion, and according to the information and explanations given to us, the transactions that need to be entered in the Register in pursuance of Section 301 of the Act have been entered.
10. As per the explanations given and the records available, the transactions have been made at prices which are reasonable with regard to the prevailing market prices at the relevant time.
11. The Company has not accepted any deposits from the public.
12. The Company has an internal audit system commensurate with the size and nature of its business.
13. As informed to us, the Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, in respect of activities of the Company. However, the same has not been verified by us.
14. As per the records and the explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities. There is no amount outstanding as on 31st March 2009 for a period of more than six months from the date it became payable.

The details of disputed Income Tax due amounting to Rs. 1,303,103 is given below:

Name of the Statute	Nature of dues	Amount (in rupees)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Income Tax	1,303,103	2006-07	Commissioner of Income Tax (Appeals-III)

15. The Company did not have any accumulated losses at the end of the financial year, nor had it incurred any cash loss during the financial year or in the immediately preceding financial year.
16. The Company has not defaulted in repayment of dues to Financial Institution or to Banks.
17. The Company has not granted any loans and advances to any parties on the basis of security by way of pledge of Shares, Debentures and other Securities.
18. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.

19. The Company is not dealing or trading in Shares, Securities, Debentures and other Investments.
20. The Company has not given any guarantee for loans taken by other parties.
21. The Term Loans had been applied for the purpose for which they were obtained.
22. The funds raised during the year on short term basis have not been used for long term investments.
23. As per the records the Company has not made any preferential allotment of Shares during the year.
24. As per the records the Company has not issued Debentures during the year.
25. The Company has not raised any money from public issues during the year.
26. As per the information given by the Company no fraud on, or by the Company has been noticed/ reported during the year.

For Brahmayya & Co.,  
Chartered Accountants.

(S. GOVINDA RAO)  
Partner  
Membership No. 20546

Place: Bangalore  
Date: 15<sup>th</sup> May 2009





## BALANCE SHEET AS AT 31.03.2009

		31.03.2009		31.03.2008	
	Schedule No	Details Rs.	Total Rs.	Details Rs.	Total Rs.
<b>SOURCES OF FUNDS</b>					
<b>1. Shareholders' Funds</b>					
a) Share Capital	1	3,200,090		3,200,090	
b) Reserves & Surplus	2	325,596,537		302,261,725	
			328,796,627		305,461,815
<b>2. Loan Funds</b>					
Secured Loans	3		209,732,530		242,256,620
<b>3. Deferred Tax</b>					
	4		21,419,613		19,511,675
			<u>559,948,770</u>		<u>567,230,110</u>
<b>APPLICATION OF FUNDS</b>					
<b>1. Fixed Assets</b>					
a) Gross Block	5	441,269,250		366,439,777	
Less: Depreciation		153,086,452		125,843,352	
Net Block		<u>288,182,798</u>		<u>240,596,425</u>	
b) Capital Work-in-Progress		<u>11,289,283</u>		<u>18,903,026</u>	
			299,472,081		259,499,451
<b>2. Investments</b>					
	6		73,135		83,265
<b>3. Current Assets, Loans &amp; Advances</b>					
a) Inventories	7	128,110,032		141,956,057	
b) Sundry Debtors		157,071,021		202,343,793	
c) Cash and Bank Balances		5,399,679		8,476,237	
d) Loans and Advances		<u>18,078,671</u>		<u>36,219,847</u>	
		<u>308,659,403</u>		<u>388,995,934</u>	
Less: Current Liabilities & Provisions	8				
Current liabilities		32,688,815		67,239,971	
Provisions		<u>15,567,034</u>		<u>14,108,569</u>	
		<u>48,255,849</u>		<u>81,348,540</u>	
Net Current Assets			260,403,554		307,647,394
			<u>559,948,770</u>		<u>567,230,110</u>

For BRAHMAYYA & CO.  
Chartered Accountants

S.Govinda Rao  
Partner  
Membership No.20546

Bangalore  
15<sup>th</sup> May 2009

P.P.Prabhu  
Chairman

Anuradha M Gokarn  
Managing Director

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

	Schedule No	31.03.2009		31.03.2008	
		Details Rs.	Total Rs.	Details Rs.	Total Rs.
<b>1. INCOME</b>					
Sales		889,916,712		867,653,355	
Less Excise duty		106,224,446		120,741,761	
		<u>783,692,266</u>		<u>746,911,594</u>	
Other Income	9	2,807,673		2,641,773	
			786,499,939		749,553,367
<b>2. EXPENDITURE</b>					
Raw Materials Consumed		494,406,421		477,278,905	
Payments to & Provisions for Employees	10	87,763,672		80,563,817	
Other Manufacturing Expenses	11	75,348,789		76,215,909	
Administration & Selling Expenses	12	34,624,469		34,003,058	
		<u>692,143,351</u>		<u>668,061,689</u>	
Interest	13	21,993,972		13,940,896	
Depreciation		27,853,281		21,660,735	
		<u>741,990,604</u>		<u>703,663,320</u>	
Variation in Stocks	14	319,403		7,545,284	
			742,310,007		711,208,604
3. Profit before Taxation			44,189,932		38,344,763
4. Provision for Taxation-Current year		13,400,000		8,500,000	
- Earlier Year				274,277	
- Fringe Benefit Tax		500,000		550,000	
- Deferred Tax		1,907,938		4,896,354	
			15,807,938		14,220,631
5. Profit after Taxation			28,381,994		24,124,132
ADD: Excess Provision of earlier years written back			568,736		
Balance Brought Forward from last year			15,700,401		11,256,202
6. Balance available for appropriation			44,651,131		35,380,334
APPROPRIATIONS:					
General Reserve		20,000,000		15,000,000	
Proposed Dividend		4,800,135		4,000,113	
Tax on Proposed Dividend		815,783		679,820	
			25,615,918		19,679,933
Balance Carried to Balance sheet			19,035,213		15,700,401
			44,651,131		35,380,334
Earning per share of Rs.10/-each					
Basic			88.69		75.39
Diluted			88.69		75.39
(Schedules 1 to 15 form an integral part of accounts)					

For BRAHMAYYA & CO.  
Chartered Accountants

P.P.Prabhu  
Chairman

Anuradha M Gokarn  
Managing Director

S.Govinda Rao  
Partner  
Membership No.20546

Bangalore  
15<sup>th</sup> May 2009



## SCHEDULES TO THE ACCOUNTS AS ON 31ST MARCH 2009

	31.03.2009 Rs.	31.03.2008 Rs.
<b>1. SHARE CAPITAL :</b>		
Authorised		
400,000 Equity Shares of Rs.10/- each	4,000,000	4,000,000
10,000 Redeemable Cumulative Preference Shares of Rs.100/- each	1,000,000	1,000,000
	<u>5,000,000</u>	<u>5,000,000</u>
Issued, Subscribed & Paid-up		
320,009 Equity Shares of Rs.10/- each	3,200,090	3,200,090
	<u>3,200,090</u>	<u>3,200,090</u>
<b>2. RESERVES &amp; SURPLUS :</b>		
General Reserve		
As per last Balance Sheet	286,561,324	
Add: Transfer from Profit and Loss Account	<u>20,000,000</u>	<u>306,561,324</u>
Surplus: Balance in Profit and Loss Account	19,035,213	15,700,401
	<u>325,596,537</u>	<u>302,261,725</u>
<b>3. SECURED LOANS :</b>		
A) Term Loans	50,367,004	78,675,793
B) Working Capital	159,365,526	163,580,827
	<u>209,732,530</u>	<u>242,256,620</u>
<b>4. DEFERRED TAX LIABILITIES</b>		
Assets	21,419,613	19,511,675
	<u>21,419,613</u>	<u>19,511,675</u>

## SCHEDULES TO THE ACCOUNTS AS ON 31ST MARCH 2009

### 5. FIXED ASSETS

Particulars	GROSS BLOCK				Upto 31.03.2008 Rs.	DEPRECIATION			NET BLOCK	
	As at 31.03.2008 Rs.	Additions Rs.	Deduction/ Transfer Rs.	Total as at 31.03.2009 Rs.		Deductions Rs.	For the year Rs.	Total upto 31.03.2009 Rs.	As at	
									31.03.2009 Rs.	31.03.2008 Rs.
Freehold Land	831,815	—	—	831,815	—	—	—	—	831,815	831,815
Buildings	94,016,566	3,068,529	—	97,085,095	11,522,249	—	3,056,025	14,578,274	82,506,821	82,494,317
Plant & Machinery	258,214,365	70,027,119	6,400	328,235,084	109,794,815	2,736	23,661,967	133,454,046	194,781,038	148,419,550
Furniture & Fixtures	9,401,637	1,037,358	—	10,438,995	2,373,112	—	744,672	3,117,784	7,321,211	7,028,525
Vehicles	3,975,394	1,762,749	1,059,882	4,678,261	2,153,176	607,445	390,617	1,936,348	2,741,913	1,822,218
<b>TOTAL</b>	<b>366,439,777</b>	<b>75,895,755</b>	<b>1,066,282</b>	<b>441,269,250</b>	<b>125,843,352</b>	<b>610,181</b>	<b>27,853,281</b>	<b>153,086,452</b>	<b>288,182,798</b>	<b>240,596,425</b>
Previous Year	237,206,125	131,068,022	1,834,370	366,439,777	105,770,469	1,587,852	21,660,735	125,843,352		
Capital work-in-progress									11,289,283	18,903,026
									<u>299,472,081</u>	<u>259,499,451</u>



## SCHEDULES TO THE ACCOUNTS AS ON 31ST MARCH 2009

				31.03.2009	31.03.2008
				Rs.	Rs.
<b>6. INVESTMENTS- LONG TERM</b>					
<b>Non Trade(unquoted)</b>					
Government Securities					
i) National Savings Certificates					
				-	10,020
<b>Trade(quoted)</b>					
i) Shares					
Name of the Company	Number of shares		Amount Rs.		
Apollo Tyres Ltd	500	of Rs.1/-each	2,762		
Bombay Tyres Intl.Ltd	50	of Rs.10/-each	1,490		
Ceat Limited	37	"	3,983		
CHI Investments Limited	12	"	120		
Dewan Tyres Ltd	100	"	1,355		
Dunlop India Ltd	100	"	6,500		
Goodyear India Ltd	200	"	9,850		
Govind Rubber Ltd	200	"	1,750		
J.K.Tyre & Industries Ltd	60	"	4,504		
Bengal & Assam Company Ltd	4	"	200		
J.K.sugar Ltd.	7	"	464		
J.K.Agrigenetics Ltd	5	"	332		
Modi Rubber Ltd	50	"	2,800		
MRF Ltd	50	"	12,850		
T.V.S. Srichakra Tyre Ltd	100	"	1,975		
ICICI Bank Ltd	408	"	22,200		
Total				73,135	73,245
				<u>73,135</u>	<u>83,265</u>

(Aggregate Market value of equity shares quoted is Rs.263,971/-

Previous year Rs.586,085/-)

## SCHEDULES TO THE ACCOUNTS AS ON 31ST MARCH 2009

	31.03.2009 Rs.	31.03.2008 Rs.
<b>7. CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>a) Inventories: At lower of cost or market value</b> (As certified by the Management)		
Stores, Spares & Tools	23,682,730	17,189,682
Bought-out Items	8,458,340	8,066,117
Raw Materials	53,387,712	73,799,605
Work-in-Progress	31,623,320	37,320,519
Finished Goods	10,957,930	5,580,134
	<u>128,110,032</u>	<u>141,956,057</u>
<b>b) Sundry Debtors (Unsecured)</b>		
i) Debts outstanding for a period exceeding six months		
Considered Good	2,546,314	2,456,216
Considered Doubtful	314,721	314,721
ii) Other Debts	154,524,707	199,887,577
	<u>157,385,742</u>	<u>202,658,514</u>
Less:Doubtful Debts	314,721	314,721
	<u>157,071,021</u>	<u>202,343,793</u>
<b>c) Cash and Bank Balances</b>		
Cash in hand	62,921	47,575
With Scheduled Banks :		
- in Current Accounts	704,152	3,996,978
- in Fixed Deposit Accounts (Refer Note No:9,Schedule 15 Part II)	4,305,998	4,106,531
- in Dividend Accounts	326,608	325,153
	<u>5,399,679</u>	<u>8,476,237</u>
<b>d) Loans &amp; Advances (Unsecured considered Good)</b>		
Advances recoverable in cash or in kind or for value to be received	7,844,710	8,714,990
Deposits	3,295,600	2,963,620
Balance with Central Excise	5,133,296	10,734,167
Advance for Capital items	1,805,065	11,252,711
Advance Income Tax (Net of Provisions)	-	2,554,359
	<u>18,078,671</u>	<u>36,219,847</u>
<b>Total (a to d)</b>	<u>308,659,403</u>	<u>388,995,934</u>



## SCHEDULES TO THE ACCOUNTS AS ON 31ST MARCH 2009

	31.03.2009 Rs.	31.03.2008 Rs.
<b>8. CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>a) Liabilities</b>		
Sundry Creditors		
- Amount due to Small Scale Undertakings (Refer Note No.4 Schedule 15 Part II)	1,089,692	41,059,508
- Due to Others	14,365,194	10,363,491
Other Liabilities	16,239,948	15,501,886
Unclaimed Dividends	316,836	315,086
Income Tax Liability net of Advance	677,145	-
	<u>32,688,815</u>	<u>67,239,971</u>
<b>b) Provisions</b>		
Proposed Dividend	4,800,135	4,000,113
Tax on Dividend	815,783	679,820
	<u>5,615,918</u>	<u>4,679,933</u>
<b>c) Gratuity</b>	1,791,000	1,590,000
Gratuity Premium Payable	5,554,314	5,554,314
Leave salary	2,605,802	2,284,322
	<u>9,951,116</u>	<u>9,428,636</u>
	<u>15,567,034</u>	<u>14,108,569</u>
<b>9. OTHER INCOME</b>		
Interest Received {TDS Rs.153,949 (Rs.62,607)}	546,906	767,341
Dividend received (TDS Nil)	7,598	172,895
Rent received {TDS Rs.226,547 (Rs.234,038)}	1,205,765	1,158,632
Diff. in Rate of Foreign exchange	643,436	485,422
Miscellaneous Receipts	403,968	57,483
	<u>2,807,673</u>	<u>2,641,773</u>
<b>10. PAYMENTS TO &amp; PROVISIONS FOR EMPLOYEES</b>		
Salaries, Wages & Bonus	72,981,065	68,193,874
Contribution to PF & other funds	4,779,403	4,576,832
Contribution to Employees Gratuity/ Superannuation Scheme	3,093,627	2,524,586
Welfare Expenses	6,909,577	5,268,525
	<u>87,763,672</u>	<u>80,563,817</u>

## SCHEDULES TO THE ACCOUNTS AS ON 31ST MARCH 2009

	31.03.2009 Rs.	31.03.2008 Rs.
<b>11. OTHER MANUFACTURING EXPENSES</b>		
Power Charges	15,787,875	15,126,443
Water Charges	1,380,025	1,323,100
Stores, Spares & Tools Consumed	37,131,375	35,333,998
Carriage Inwards	2,450,279	4,478,828
Job Work Charges	9,735,021	9,082,696
Repairs and Maintenance of:		
Buildings	2,984,885	
Plant & Machinery	5,697,049	
Others	182,280	
	<u>8,864,214</u>	<u>10,870,844</u>
	<u>75,348,789</u>	<u>76,215,909</u>
<b>12. ADMINISTRATION AND SELLING EXPENSES</b>		
Administration Expenses (Refer Note No.12,Schedule 15 Part II)	10,800,215	10,403,423
Insurance	1,935,927	1,693,603
Legal & Professional Charges	2,294,435	3,384,280
Outside Service Charges	1,287,588	833,078
Directors' Sitting Fee	155,000	200,000
TS 16949 Expenses	149,214	50,489
Remuneration to Auditors (Refer Note No.11,Schedule 15 Part II)	145,650	157,606
Bank Charges	2,290,502	1,477,267
Miscellaneous Expenses	768,080	715,338
Packing, Forwarding & Freight Charges	12,031,838	12,406,965
Selling Expenses	2,749,023	1,566,843
Development Expenses	16,997	1,114,166
	<u>34,624,469</u>	<u>34,003,058</u>
<b>13. INTEREST</b>		
Term Loan	992,333	1,963,376
Others	21,001,639	11,977,520
	<u>21,993,972</u>	<u>13,940,896</u>
<b>14. VARIATION IN STOCKS</b>		
A. Opening Balance		
a) Finished Goods	5,580,134	9,805,938
b) Work-in-Progress	37,320,519	40,639,999
	<u>42,900,653</u>	<u>50,445,937</u>
B. Closing Balance		
a) Finished Goods	10,957,930	5,580,134
b) Work-in-Progress	31,623,320	37,320,519
	<u>42,581,250</u>	<u>42,900,653</u>
Increase (-)/Decrease (+)	<u>319,403</u>	<u>7,545,284</u>
(A - B)		





## 15. ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### I. SIGNIFICANT ACCOUNTING POLICIES:

1. **Method of Accounting:** Financial accounts are maintained on accrual basis.
2. **Fixed Assets:**
  - (i) Fixed Assets are stated at cost net of Cenvat. The cost includes installation and other related expenses.
  - (ii) Impairment of Assets: At each Balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the Profit & Loss Account to the extent the carrying amount exceeds the recoverable amount.
3. **Depreciation:** Depreciation on the fixed assets is provided on straight line method at rates specified in Schedule XIV of the Companies Act 1956. Depreciation on additions to Plant and Machinery is provided for the proportionate period in use. Assets depreciated upto 95% of value are excluded from provision for depreciation.
4. **Investments:** Investments in equity shares are held as long term and are stated at cost.
5. **Inventories:**
  - a) Raw Materials, stores & spares & bought out items are valued at weighted average cost.
  - b) Work-in-progress is valued at factory cost.
  - c) Finished goods are valued at lower of cost or net-realizable value and are inclusive of excise duty.
6. **Revenue Recognition:** Sale is recognised on despatch of goods to customers. Sales are inclusive of Excise Duty net of Discount and Sales Tax.
7. **Foreign Currency Conversion:** Liability denominated in foreign currency is stated at the Exchange Rate prevailing at the close of the year.
8. **Research & Development:** Revenue expenditure relating to R & D is charged to the Profit and Loss Account.
9. **Retirement Benefits:** The Company has Schemes of Retirement Benefits such as Superannuation Fund and Gratuity Fund duly recognized by the Income Tax Authorities. The Company's contribution is charged to the Profit and Loss account. The Company is providing the gratuity liability as on the date of Balance Sheet as indicated under AS15 notified by the Institute of Chartered Accountants of India.
10. **Leave Encashment:** Employees are eligible for Leave Encashment. The Company has provided Leave Encashment benefit on actuarial value basis.
11. **Accounting for Taxes on Income:** Tax expense for a year comprises of current tax and deferred tax. Current Taxes are measured as the amounts expected to be paid using the applicable tax rates and tax laws. Deferred tax is recognised on timing difference, being the difference between taxable income and accounting income that originates in one period and is recognised only if there is reasonable certainty that such deferred tax assets will be realised. Such assets are reviewed at each Balance Sheet date to reassess the realisability thereof. Deferred Tax liability, if any, is recognized in the accounts and accounted for.
12. **Treatment of Expenditure during Construction Period:** Expenditure during the construction period is included under Capital Work in Progress and the same is allocated to the respective Fixed Assets on completion of construction/erection.
13. **Borrowing Cost:** Interest cost on qualifying assets being an asset that necessarily takes substantial period of time to get ready for its intended use or sale (as per AS16), is capitalized at the weighted average rate of funds borrowed and utilized for acquisition of such assets.

14. **Provisions:** Provisions are recognized when an enterprise has a present obligation as a result of past events for which it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management's estimate of the amount required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the management's current estimates.

31.03.2009      31.03.2008  
Rs.                      Rs.

## II. NOTES ON ACCOUNTS

### 1. Contingent Liabilities

Letters of Credit outstanding	1,897,310	26,499,893
Bank Guarantee	60,166	-

Liability on account of Demand of Income Tax for Asst. Year 2006-07. No provision in the accounts is made since the Company has filed an appeal against the order with the Commissioner of Income Tax (Appeals - III).

1,303,103                      -

2. Estimated amount of contracts remaining to be executed on capital accounts and not provided for

5,656,145                      10,357,857

### 3. Secured Loans

	Term Loans Rs.	Working Capital Rs.
(a) Citi Bank N.A.	6,166,667	29,768,699
HDFC Bank Ltd.	23,950,337	57,460,729
Standard Chartered Bank	Nil	51,686,840
Kotak Mahindra Bank	20,250,000	20,216,719

The above loans are secured by pari passu charge on all present and future current assets, fixed assets and further secured by the personal guarantee of the Managing Director.

4. Disclosure as per the provisions of Micro, Small and Medium Enterprises Development Act, 2006:

Amount due to Small Scale Industries for more than 30 days, but within the agreed terms:

1) Western Extrusion Industries Rs. 1,089,692

5. National Savings Certificate amounting to Rs.10,020 which could not be recovered has been charged off as Miscellaneous expenses.

6. Interest amounting to Rs. 6,081,781 (Rs.4,837,421) paid on Term Loans during the year has been proportionately capitalised on the additions to Fixed assets which have been acquired out of Loan funds

7. Stock of Raw Materials includes materials in transit worth Rs. 3,261,949 (6,940,252) and with subcontractors for processing worth Rs. 22,265,085 (Rs.11,722,758).

8. Confirmation letters of balances to Sundry Debtors & Creditors have been sent by the Company and some confirmatory letters have been received and reconciled.

9. Fixed Deposit of Rs.4,305,998 (Rs.4,106,531) with HDFC Bank Limited is against the Margin on Letters of Credit.

10. Miscellaneous Expenses include Loss on sale of fixed assets (net)- Rs.437,612 (Rs.69,043).

11. Remuneration to Auditors: For Statutory Audit Rs.100,000 (Rs.100,000) for Tax Audit Rs.15,000 (Rs.15,000), Other services Rs.15,000 (nil) & towards expenses: Rs. 29,217 (Rs.42,606).
12. Administration Expenses include Rent: Rs. 310,772 (Rs.313,720), Rates & Taxes: Rs.816,038 (Rs.589,073) Postage & Telephone: Rs.931,176 (Rs.967,853). Printing & Stationery: Rs.1,209,424 (Rs.1,284,922), Watch & Ward: Rs.1,612,387 (Rs.1,707,063), Travelling Expenses: Rs.2,631,690 (Rs.2,274,835), Foreign Travel: Rs.187,733 (Rs.355,255), Managing Director's Remuneration excluding Company's Contribution to PF: Rs.2,482,327 (Rs.2,116,580), Vehicle Maintenance: Rs.484,184 (Rs.645,145), Light & Water: Rs.134,484 (Rs.148,977).
13. The actuarial value of Gratuity liability as on 31st March 2009 is Rs. 16,017,382 (Rs.16,908,638) as per the workings under AS15 (Revised) issued by the Institute of Chartered Accountants of India.

Gratuity Report under AS-5 (Revised 2005) for the year ended 31st March 2009:

1) Assumption

	As on 31/3/2009
Discount Rate	8.00%
Salary Escalation	7.00%

2) Table Showing changes in present value of Obligation As on 31/03/2009

Present value of obligation as at beginning of the year	16,908,636
Interest Cost	1,352,691
Current Service Cost	966,462
Benefits Paid	(1,178,018)
Actuarial (gain) / loss on obligation	(2,032,389)
Present value of obligation as at end of year	16,017,382

3) Table showing changes in the fair value of plan assets As on 31/3/2009

Fair value of plan assets at beginning of year	11,354,322
Expected return on plan assets	1,020,719
Contributions	1,432,451
Benefits Paid	(1,178,018)
Actuarial gain / (loss) on Plan assets	NIL
Present value of obligation as at end of year	12,629,474

4) Table showing fair value of plan assets

Fair value of plan assets at beginning of year	11,354,322
Actuarial return of plan assets	1,020,719
Contributions	1,432,451
Benefits Paid	(1,178,018)
Fair value of plan assets at beginning of year	12,629,474
Funded status	3,387,908

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

5) Actuarial Gain / Loss recognised as on 31/3/2009

Actuarial (gain) / loss on obligations	2,032,309
Actuarial (gain) / loss the year - plan assets	NIL
Total (gain) / loss for the year	(2,032,389)
Actuarial (gain) / loss recognised in the year	(2,032,389)

6) The amount to be recognised in the Balance Sheet and statement of Profit and Loss

Present value of obligation as at the end of the year	16,017,382
Fair value of plan assets as at the end of the year	12,629,474
Funded status	(3,387,908)
Net asset / (liability) recognised in Balance Sheet	3,387,908

The Company has already recognised a liability of Rs. 5,554,314/- during the previous year.

7) Expenses Recognised in statement of Profit and Loss

Current Service Cost	966,402
Interest Cost	1,352,691
Expected return on plan assets	(1,020,719)
Net Actuarial (gain) / loss recognised in the year	(2,032,389)
Expenses recognised in statement of Profit and Loss	(733,955)

	31.03.2009 Rs.	31.03.2008 Rs.
<b>14. a) Managing Director's Remuneration</b>		
Salary	1,560,000	1,380,000
Contribution to Provident Fund	187,200	165,600
Perquisites	855,850	736,580
Commission	66,477	-
	<u>2,669,527</u>	<u>2,282,180</u>
Computation of Net Profit u/s 198 read with Section 349 of the Companies Act, 1956 for determining Managing Director's Remuneration		
Profit before Income Tax	44,189,932	
Add: a) Managing Director's Remuneration*	2,482,327	
b) Directors' Remuneration	2,371,654	
c) Sitting Fees	155,000	
d) Investments written off	10,020	
e) Loss on sale of Fixed Asset	437,612	
	<u>5,456,613</u>	
	49,646,545	
Less: a) Profit on sale of Fixed Asset	-	
Net Profit	<u>49,646,545</u>	
Commission	66,477	

\*The total remuneration including perquisites and excluding contribution to Provident Fund limited to 5% of the Net Profit is as per Schedule XIII of the Companies Act, 1956.

**b) Director's Remuneration**

	Director Manufacturing		Executive Director	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	Rs.	Rs.	Rs.	Rs.
Salary	159,666	1,405,908	840,000	840,000
Fixed Commission	624,947	232,515	-	-
Contribution to Provident Fund	19,160	93,006	100,800	100,800
Perquisites	123,187	122,352	623,854	421,351
	<u>926,960</u>	<u>1,853,781</u>	<u>1,564,654</u>	<u>1,362,151</u>

15. Rs.106,224,446 of excise duty paid includes Rs. 834,196 (Rs.703,247) being provision made for duty payable on the unsold stock of finished goods.

**16. Details of deferred tax liability**

	As at 31.03.2009	As at 31.03.2008
Related to Fixed Assets	22,801,688	20,628,158
Related to Provision	(1,382,075)	(1,116,483)
	<u>21,419,613</u>	<u>19,511,675</u>

**17. Related Party Transactions**

Information given in accordance with the requirements of Accounting Standard 18 on related party disclosures issued by the Institute of Chartered Accountants of India

(A) M/s Suvadhan Speciality Tooling Division, Mysore.

Partnership Firm.

(B) Key Managerial Personnel: Mrs.Anuradha M. Gokarn & Mr.Aditya M. Gokarn.

(C) Transaction with the above related party.

	Transactions for the year ended March 31, 2009
(a) Nature of Transactions	Rs.
Purchase of Goods	1,346,317
Purchase- Others	210,000
Job Work	775,061
Sales	NIL
(b) Balance as at March 31, 2009	
Receivables	NIL
Payable	129,067
(D) Managerial Remuneration	
(i) Mrs.A.Gokarn	Rs. 2,669,527
(ii) Mr.D. Albert Irudayaraj	Rs. 926,960
(iii) Mr.Aditya M Gokarn	Rs. 1,564,654

## 18. Segment Report

In accordance with the provisions of Accounting Standard 17, the Company has one reportable primary segment consisting of automobile tyre and tube valves, cores and accessories. Hence segment reporting as defined is not applicable.

## 19. In Calculating Basic and Diluted Earnings per Share

	2009 Rs.	2008 Rs.
Numerator used:		
a) Profit after Tax	28,381,994	24,124,132
Denominator used:		
b) Number of equity shares	320,009	320,009

## 20. Raw Materials Consumed

	Quantity M.T.	Value Rs.
Brass	1041.598 (1073.315)	377,623,474 (384,439,974)
Rubber	506.189 (538.574)	91,809,259 (66,307,298)
Others		24,973,688 (26,531,634)
Total		494,406,421 (477,278,906)

## 21. a) Capacity & Production

	Installed Capacity Nos.	Actual Production Nos
Automobile Tyre & Tube Valves	60,000,000 (60,000,000)	49,984,374* (49,911,411)
Valve Cores	800,000,000 (61,200,000)	58,823,019 (56,441,594)

\* Includes Accessories.

## b) Stock & Turnover

	Stock on 01-04-2008		Stock on 31-03-2009		Turnover*	
	Quantity Nos.	Value Rs.	Quantity Nos.	Value Rs.	Quantity Nos.	Value Rs.
Valves	356,013 (509,627)	5,264,466 (9,727,728)	503,593 (356,013)	9,457,029 (5,264,466)	49,836,794 (50,065,025)	770,647,732 (747,673,792)
Valve Cores	328,000 (55,000)	315,668 (78,210)	1,464,000 (328,000)	1,500,901 (315,668)	57,687,019 (56,168,594)	105,128,327 (106,308,514)
Others						14,140,653 (14,156,470)
						889,916,712 (868,138,776)

\* Turnover quantity includes accessories and free samples.

<b>22. a) CIF Value of Imports</b>	Value
	Rs.
i) Raw Materials	92,085,809
	(100,209,798)
ii) Stores & Spares	5,138,151
	(1,982,004)
iii) Machinery	19,493,173
	(19,680,828)
<b>b) Expenditure in Foreign Currency</b>	
i) Travelling	379,549
	(121,109)
<b>Total</b>	<u>117,096,682</u>
	<u>(121,993,739)</u>

<b>c) Value of Imported and Indigenous Materials Consumed</b>	Value	% to total
	Rs.	consumption
i) Raw Materials		
Imported	105,317,327	21.30
	(115,814,239)	(23.81)
Indigenous	389,089,094	78.70
	(370,547,362)	(76.19)
	<u>494,406,421</u>	<u>100.00</u>
	<u>(486,361,601)</u>	<u>(100.00)</u>
ii) Stores, Spares & Components	Value	% to total
	Rs.	consumption
Imported	4,605,999	12.40
	(2,106,729)	(5.96)
Indigenous	32,525,376	87.60
	(33,227,269)	(94.04)
	<u>37,131,375</u>	<u>100.00</u>
	<u>(35,333,998)</u>	<u>(100.00)</u>

**23. Earnings in Foreign Exchange**

Export of goods	10,025,397
	(18,877,180)

24. Previous year's figures have been regrouped to conform with that of Current year's presentation.

For BRAHMAYYA & CO.  
Chartered Accountants

P.P.Prabhu  
Chairman

Anuradha M.Gokarn  
Managing Director

S.Govinda Rao  
Partner  
Membership No.20546  
Bangalore  
15<sup>th</sup> May 2009

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31 2009

	31.03.2009		31.03.2008	
	Rs.		Rs.	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		44,189,932		38,344,763
ADJUSTMENTS FOR:				
DEPRECIATION	27,853,281		21,660,735	
EXCESS PROVISION WITHDRAWN	254,827			
INTEREST (NET)	21,447,066		13,173,555	
DIVIDEND RECEIVED	(7,598)		(172,895)	
LOSS ON SALE OF FIXED ASSET(NET)	437,612		69,043	
LOSS ON SALE OF INVESTMENTS	10,020	49,995,208	(200)	34,730,238
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		94,185,140		73,075,001
ADJUSTMENTS FOR:				
TRADE AND OTHER RECEIVABLES	51,411,944		(38,921,566)	
INVENTORIES	13,846,025		3,487,834	
TRADE PAYABLES	(34,772,298)	30,485,671	9,333,297	(26,100,435)
CASH GENERATED FROM OPERATIONS		124,670,811		46,974,566
INTEREST PAID	(21,993,972)		(13,940,896)	
DIRECT TAXES PAID	(10,288,000)	(32,281,972)	(6,752,964)	(20,693,860)
CASH FLOW BEFORE EXTRAORDINARY ITEMS		92,388,839		26,280,706
EXTRAORDINARY ITEMS		-		-
NET CASH FROM OPERATING ACTIVITIES		92,388,839		26,280,706
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
PURCHASE OF FIXED ASSETS	(68,282,012)		(74,649,752)	
SALE OF FIXED ASSETS	18,489		88,000	
ADVANCE FOR CAPITAL ITEMS	9,447,646		7,874,758	
INTEREST RECEIVED	546,906		767,341	
DIVIDEND RECEIVED	7,598		172,895	
PURCHASE OF INVESTMENT				
SALE OF INVESTMENTS			10,925,500	
NET CASH USED IN INVESTING ACTIVITIES:		(58,261,373)		(54,821,258)





CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31 2009

	31.03.2009	31.03.2008
	Rs.	Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES:		
PROCEEDS FROM LONG TERM BORROWINGS	20,250,000	25,000,000
PROCEEDS FROM SHORT TERM BORROWINGS	(4,215,301)	52,799,537
REPAYMENT OF LOAN	(48,558,789)	(40,161,728)
DIVIDEND PAID	(4,000,113)	(3,200,090)
DIVIDEND TAX PAID	(679,820)	(543,855)
	<u>(37,204,023)</u>	<u>33,893,864</u>
NET CASH USED IN FINANCING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	(3,076,557)	5,353,312
CASH AND CASH EQUIVALENTS AS AT 01.04.2008	8,476,236	3,122,724
CASH AND CASH EQUIVALENTS AS AT 31.03.2009	5,399,679	8,476,236

For BRAHMAYYA & CO.  
Chartered Accountants

P.P.Prabhu  
Chairman

Anuradha M Gokarn  
Managing Director

AUDITORS' REPORT

We have verified the attached cash flow statement of Triton Valves Limited derived from the audited financial statements and the books & records maintained by the Company for the year ended 31st March 2009 and found the same in agreement therewith.

For BRAHMAYYA & CO.  
Chartered Accountants

Bangalore  
15<sup>th</sup> May 2009

S.Govinda Rao  
Partner  
Membership No(20546)

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE  
(AS PER SCHEDULE VI PART(iv) OF THE COMPANIES ACT 1956)**

<b>I</b>	<b>Registration Details</b>	
	Registration No.	2867
	State Code	8
	Balance Sheet Date	March 31, 2009
<b>II</b>	<b>Capital Raised during the Year</b>	
	Public Issue	Nil
	Rights Issue	Nil
	Private Placement	Nil
	Bonus Issue	Nil
<b>III</b>	<b>Position of Mobilisation and Deployment of Funds</b>	<b>Rupees ('000)</b>
	Total Liabilities	608,205
	Total Assets	608,205
	<b>Sources of Funds</b>	
	Paid-up Capital	3,200
	Reserves & Surplus	325,597
	Loan Funds	209,733
	Deferred Tax	21,420
	Current Liabilities	48,256
	<b>Total</b>	<b>608,205</b>
	<b>Application of Funds</b>	
	Net Fixed Assets	299,472
	Investments	73
	Current Assets	308,659
	<b>Total</b>	<b>608,205</b>
<b>IV</b>	<b>Performance of the Company</b>	
	Turnover including other income	786,500
	Total Expenditure	742,310
	Profit Before Tax	44,190
	Profit After Tax	28,382
	Earnings per Share (Rs.)	88.69
	Dividend Rate	150%
<b>V</b>	<b>Generic Names of Principal products/Services of the Company</b>	

Product Description  
Automobile Tyre Tube Valve

Item Code No. (ITC Code)  
848180-04

Bangalore  
15<sup>th</sup> May 2009

P.P.Prabhu  
Chairman

Anuradha M.Gokarn  
Managing Director

Registered Office:  
**Triton Valves Limited**  
Sunrise Chambers  
22, Ulsoor Road,  
Bangalore-560 042.