



TRITON VALVES LIMITED



ISO 9002 & QS 9000
LIC QS 10122
Standards Australia

BOARD OF DIRECTORS

Anuradha M. Gokarn
Chairman & Managing Director

N.S.S. Murthy
Dr. M.N. Srinivasan
M.R. Hosangady
P.P. Prabhu
D. Albert Irudayaraj

BANKERS

State Bank of India

AUDITORS

Brahmayya & Co.,
10/2, Kasturba Road,
Bangalore - 560 001.

REGISTERED OFFICE

Sunrise Chambers,
22, Ulsoor Road,
Bangalore - 560 042.

FACTORY

Mercara Road,
Belavadi,
Mysore - 571 186.



TRITON VALVES LIMITED



NOTICE

Notice is hereby given that the Twentyseventh Annual General Meeting of Triton Valves Limited will be held at the Registered Office at 'Sunrise Chambers' 22, Ulsoor Road, Bangalore 560 042 at 4.00 PM on Friday the 26th September 2003 to transact the following business.

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2003, Profit and Loss Account for the year ended on that date, the reports of the Board of Directors & Auditors thereon and the Secretarial Compliance Certificate.
2. To Declare a dividend.
3. To appoint a Director in place of Shri. N.S.S. Murthy who retires by rotation and being eligible offers himself for re-election.
4. To appoint a Director in place of Dr. M.N. Srinivasan who retires by rotation and being eligible offers himself for re-election.
5. To appoint Auditors and in that connection to consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution.

"RESOLVED that Messrs Brahmayya & Co., Bangalore be and are hereby appointed as Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a total remuneration of Rs.50,000/- excluding applicable tax and out of pocket expenses."

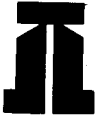
Special Business

6. To consider the appointment of Mr.P.P. Prabhu, IAS, Former Commerce Secretary, Govt. of India, as a Director of the Company liable to retire by rotation for which notice has been received from a Member under Section 257 of the Companies Act 1956 and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. P.P. Prabhu, be and is hereby appointed as a Director of the Company liable to retire by rotation in respect of whom the Company has received a notice in writing from a member pursuant to Section 257 of the Companies Act 1956 proposing his candidature for the office of Director of the Company".

7. To consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolution.

"RESOLVED THAT Mr. D. Albert Irudayaraj who was appointed as an additional Director and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under the provision of Section 257 of the Companies Act 1956 proposing his candidature for the office of a Director be and is hereby appointed as a Director.



TRITON VALVES LIMITED



8. To consider and if thought fit to pass with or without modification, the following Resolution as a Special Resolution.

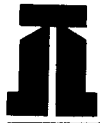
“RESOLVED THAT pursuant to provisions of Section 269, 309, 314 and other applicable provisions, if any, of the Companies Act 1956, the Company hereby approves the appointment of Mr. D. Albert Irudayaraj as a Whole Time Director of the Company for the period of one year from 11th August 2003 on the terms and conditions including remuneration as set out in the draft Agreement proposed to be entered into by the Company with him submitted to the meeting which Agreement be and is hereby specifically sanctioned with liberty to the Directors to alter/and or vary the terms and conditions of the said appointment and or Agreement as may be agreed to between the Directors and Mr. Albert or as may be varied by the General Meeting but so as not to exceed the limits if any specified in Schedule XIII of the Companies Act 1956 or any amendment thereto.

By order of the Board of Directors

ANURADHA M.GOKARN
CHAIRMAN & MANAGING DIRECTOR

Registered Office
'Sunrise Chambers'
22, Ulsoor Road,
BANGALORE - 560 042.

11th August 2003



TRITON VALVES LIMITED



NOTES

1. Explanatory statement in regard to items 5 & 6 as required by 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 VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 17th September 2003 to 26th September 2003 (both days inclusive).
4. The dividend recommended by the Board, if approved, at the Annual General Meeting, will be paid on or before 26th October 2003 to the Members registered in the Register of Members of the Company on 26th September 2003.
5. As required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Amendment Rules, 1988 we hereby confirm that unclaimed dividends declared for the financial years ended March 31, 1988 to 1995 were transferred to the General Revenue Account of the Central Government. Shareholders, who have not encashed the cheques / drafts for the said period are requested to claim the payment from the Registrar of Companies, Karnataka, Kendriya Sadan, Koramangala, Bangalore - 560 034.
6. Shareholders are requested to claim their unclaimed dividend if any, relating to the dividend declared for the Financial Years ended 31, 1997 to March 31, 2002.

Dividends unclaimed for more than 7 years have to be transferred by the Company to Investor Education & Protection Fund constituted by the Central Government. It may please be noted that no claim shall be made by the shareholder, for the unclaimed dividends which have been transferred to the Investor Education & Protection Fund of the Central Government, under the amended provisions of Sec. 205 (C) of the Companies Act 1956.

The unclaimed dividends declared for the financial year ended March 31, 1996, 1997, 1998, 1999, 2000, 2001 & 2002 will be transferred to the Investor Education and Protection Fund in November 2003, 2004, 2005, 2006, 2007, 2008 & 2009 respectively.

By order of the Board of Directors

ANURADHA M.GOKARN
CHAIRMAN & MANAGING DIRECTOR

Registered Office
'Sunrise Chambers'
22, Ulsoor Road,
BANGALORE - 560 042.

11th August 2003



TRITON VALVES LIMITED



ANNEXURE TO THE NOTICE

Explanatory statement under Section 173(2) of the Companies Act, 1956.

Item No. 5

As the Share holding of the public financial institutions in the Company exceeds 25% of the subscribed share capital, a Special Resolution under section 224A of the Companies Act 1956 is required to be passed for the appointment of Auditors. Hence this Special Resolution.

None of the Directors of the Company is concerned or interested in this resolution.

Item No. 6

Mr. P.P. Prabhu, IAS, Former Commerce Secretary, Govt. of India, was Co-opted as an additional Director of the Board on 31.01.2003 so that the Company will have the benefit of his good counsel and rich experience in public administration and in various fields. Mr. P.P. Prabhu was a Director of the Company earlier during the period September 1986 to September 1991.

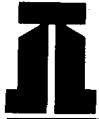
None of the Directors of the Company except Mr. P.P. Prabhu is concerned or interested in this resolution.

Item No. 7 & 8

The Board of Directors of the Company at its meeting held on 11th August 2003 appointed Mr. D. Albert Irudayaraj as an Additional Director. The Company has received a notice in writing from a member proposing the candidature of Mr. D. Albert Irudayaraj for the Office of a Director under the provisions of Section 257 of the Companies Act 1956.

Mr. D. Albert holds a first class Master's Degree in Machine Design from the Madras University. In February 1980, he joined the services of the Company as Design & Development Manager. In May 1982, he was appointed as Works Manager and in 1986 as the General Manager (Works). His contribution to the development and growth of Triton has been substantial.

Under his leadership the Company acquired the ISO 9002 and the QS 9000 certificates and is hoping to acquire the TS 16949 certificate shortly.



TRITON VALVES LIMITED



At its meeting held on 11th August 2003 the Board of Directors also appointed Mr. D. Albert as Whole Time Director of the Company for a period of one year from that date subject to the approval of the Company in General Meeting. The terms and conditions of appointment are set out in the draft Agreement proposed to be entered into which inter alia contains the following :

1. The Whole Time Director shall subject to the supervision and control of the Board of Directors and/or Chairman & Managing Director of the Company manage the manufacturing activities of the Company.
2. Period of Agreement : one year from 11th August 2003.
3. Remuneration : Consolidated salary of Rs. 6,86,400/- p.a.
4. Commission : 30% of Basic Salary - Rs. 1,26,000/- p.a.
5. Perquisites : Monetary Value - Rs. 1,68,000/- p.a.

The Board recommends the approval of the appointment of Mr. D. Albert as a Whole Time Director of the Company.

The draft Agreement referred to in this resolution contained in item 8 of the notice will be open for inspection by members at the Registered Office of the Company on all working days except Saturday between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.

Mr. D. Albert is interested in the resolutions contained in items 7 & 8 of the notice.

None of the remaining Directors is concerned or interested in the said resolutions.

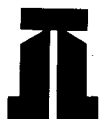
This explanation together with the accompanying notice is and should be treated as an abstract of the terms of appointment of the Whole Time Director under Section 302 of the Companies Act 1956.

By order of the Board of Directors

ANURADHA M.GOKARN
CHAIRMAN & MANAGING DIRECTOR

Registered Office
'Sunrise Chambers'
22, Ulsoor Road,
BANGALORE - 560 042.

11th August 2003.



TRITON VALVES LIMITED



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twentyseventh Annual Report together with the Audited Accounts for the year ended 31st March 2003.

(Rs. in lakhs)

| | 31-03-2003 | 31-03-2002 |
|--|------------|------------|
| | Rs. | Rs. |
| 1. Financial Results | | |
| Profit for the year before Tax | 661.40 | 257.52 |
| Provision for Taxation | 293.64 | 105.98 |
| Profit after Tax | 367.76 | 151.54 |
| Add: (a) Excess provision in previous year withdrawn | 6.57 | - |
| (b) Balance brought forward | 26.35 | 22.85 |
| Profit available for appropriation | 400.68 | 174.39 |
| 2. Appropriations | | |
| Proposed dividend | | |
| 150% on Equity Shares | 48.00 | 23.04 |
| Tax on dividend | 6.15 | - |
| General Reserve | 300.00 | 125.00 |
| Balance Carried forward | 46.53 | 26.35 |
| | 400.68 | 174.39 |

3. Dividend

Your Directors recommend a dividend of 150% on Equity Shares.

4. Performance

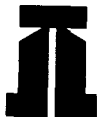
The Company's sales turnover net of discount increased to Rs.35.53 crores as against Rs.30.08 crores of the previous year. With this impressive increase of 18%, the pre-tax profit has increased to Rs.6.61 crores from Rs.2.57 crores. Reduction in the cost of critical raw materials along with savings in interest cost and other expenses as well as effective inventory control have improved profitability. In addition, the abolition of Entry Tax on raw materials and Turnover Tax by the State Government has resulted in substantial savings.

5. Labour Relations

Labour Relations continued to be cordial during the year.

6. Particulars of Employees under Section 217(2A)

None of the directors/employees of the Company was in receipt of remuneration stipulated for disclosure.



TRITON VALVES LIMITED



7. Directors

Shri. N.S.S. Murthy and Dr. M.N. Srinivasan retire by rotation at the conclusion of this Annual General Meeting and are eligible for re-appointment.

Mr. P.P. Prabhu, IAS (Retd.), Former Secretary, Govt. of India has joined the Board of Directors on 31.01.2003 as Additional Director. He will hold office upto the forthcoming Annual General Meeting. Notice under Section 257 of the Companies Act 1956 has been received from a member proposing his appointment as Director of the Company at the forthcoming Annual General Meeting.

8. Auditors

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

9. Conservation of Energy, Technology Absorption, Exports and Foreign Exchange Earnings and out go

A Statement giving details of the above in accordance with Sec. 217 (1) (e) of the Companies (Disclosure of Particulars in the Report of Directors) Rules 1988 is enclosed.

10. Listing with Stock Exchanges

As per the requirement of Clause 49 of the listing Agreement with Stock Exchanges, the Company hereby declares that the listing of its shares continued throughout the year with the following Exchanges and the listing fee due till date stands paid :

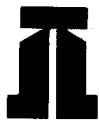
- (i) The Bangalore Stock Exchange, Stock Exchange Towers, No. 51, 1st Cross, J. C. Road, Bangalore - 560 027.
- (ii) The Stock Exchange Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

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

Your Directors state that on the basis of information made available to them by the Management and the Auditors :

- (i) The annual accounts of the Company have been prepared in conformity, in all material respects, with the generally accepted accounting standards in India and supported by reasonable and prudent judgements and statements so as to give a true and fair view of the state of affairs of the Company and of the results of the operations of the Company. Significant accounting policies followed and other disclosures forming part of the accounts are provided under Schedule 15.
- (ii) These financial statements of the Company have been audited by M/s. Brahmayya & Co., Chartered Accountants. A reference may be made to their report dated June 30, 2003 to the members together with Annexure thereto containing information as required under the Manufacturing and Other Companies (Auditors' Report) Order, 1988 attached with these annual accounts.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

In the opinion of the Board, the Company is in a position to carry on its business in the foreseeable future and accordingly, the financial statements have been prepared on the basis of a going concern.



TRITON VALVES LIMITED



ISO 9002 & QS 9000
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12. Secretarial Compliance Certificate

In accordance with Sec. 383(A) of the Companies Act 1956 and (Compliance Certificate) Rules 2001, the Company has obtained a Certificate from a Secretary in whole time practice confirming that the Company has complied with all the provisions of the Companies Act 1956 and a copy of such certificate is annexed to this report.

13. Prospects for the Current Year

Sales during the first two months of the current financial year were up by 11% compared to the corresponding period of the previous year. Concerted effort is being made to improve exports. With the automotive industry having come out of recession, the Company is hopeful of good performance this year.

14. Acknowledgement

Your Directors thank the customers, vendors and investors for their continued support to your Company's growth. Your Directors place on record their appreciation of the support given by the State Bank of India.

Your Directors also wish to place on record their appreciation of the contribution made by the employees at all levels.



For and on behalf of the Board of Directors

ANURADHA M.GOKARN
CHAIRMAN & MANAGING DIRECTOR

Bangalore
30th June 2003



TRITON VALVES LIMITED



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Standards Australia

ANNEXURE TO DIRECTORS' REPORT

I. A. Conservation of Energy

- (a) Power factor of power supplied from Karnataka Power Transmission Corporation Limited (KPTCL) has been constantly monitored and maintained at 0.90.
- (b) Modifications carried out in the electrical circuit of some machineries to save power during loading and unloading time.
- (c) Waste steam is used to heat degreasing bath to save power.

B. Technology Absorption

1. Research & Development

i. Specific Areas in which R&D carried out by the Company

- (a) Mistake proofing extended to more areas.
- (b) Process modification done to save material.
- (c) New products introduced.

ii. Benefits

- (a) Improved product quality.
- (b) Enhanced product range.
- (c) Improved customer satisfaction.

iii. Future plan of action

- (a) To automate more work areas.
- (b) To widen range.
- (c) To improve employee participation for continuous improvement and waste reduction.

iv. Expenditure in R&D

| | |
|---|---------------|
| (a) Capital | Nil |
| (b) Recurring | Rs.9.22 lakhs |
| Total | Rs.9.22 lakhs |
| Total R&D expenditure as a percentage of turnover | 0.26% |

2. Technology Absorption, Adaptation & Innovation

The valve manufacturing technology has been fully absorbed and adapted to Indian conditions. Many cost effective and innovative improvements have been made in the manufacturing process.

C. Foreign Exchange Earnings and Outgo

| | Equivalent in Rupees |
|--|----------------------|
| Foreign exchange earned through exports (vide note No.22) | 34.13 lakhs |
| Foreign exchange used (vide note No.21) | 148.90 lakhs |

For and on behalf of the Board of Directors

ANURADHA M.GOKARN
CHAIRMAN & MANAGING DIRECTOR

Bangalore
30th June 2003