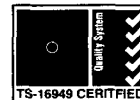


30th Annual Report 2006





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General Shareholders' Information:

1. Time & Date of AGM : 4.00 PM on Monday, July 31, 2006
2. Venue of AGM : Hotel Ajantha, 22-A, M.G.Road, Bangalore-560001
3. Dates of Book closure : July 22, 2006 to July 31, 2006
4. Financial Year : April to March
5. Dividend Payment Date : Before 30th August, 2006.
6. The equity shares of Rs.10/- each listed at : Bombay Stock Exchange Limited
Phiroz Jeejeebhoy Towers, Dalal Street,
Mumbai-400 001, India

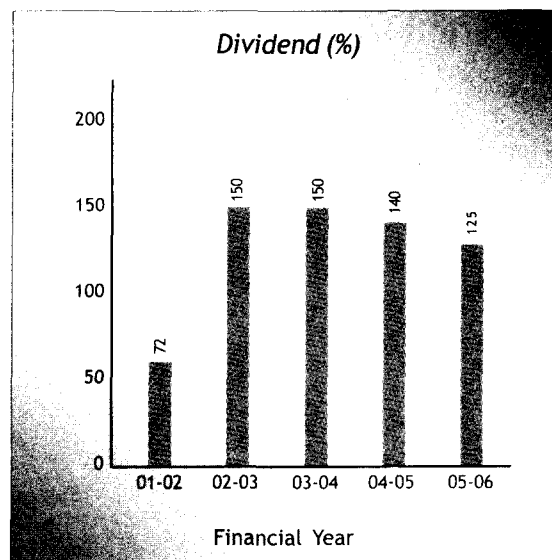
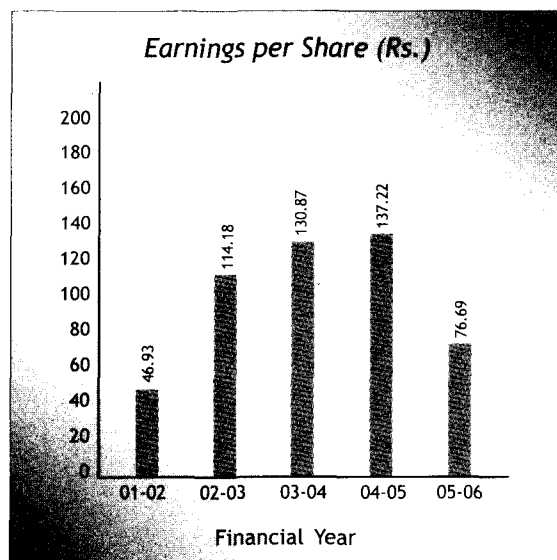
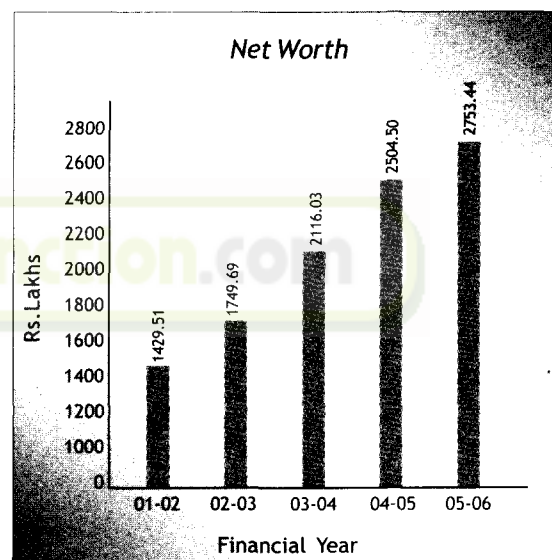
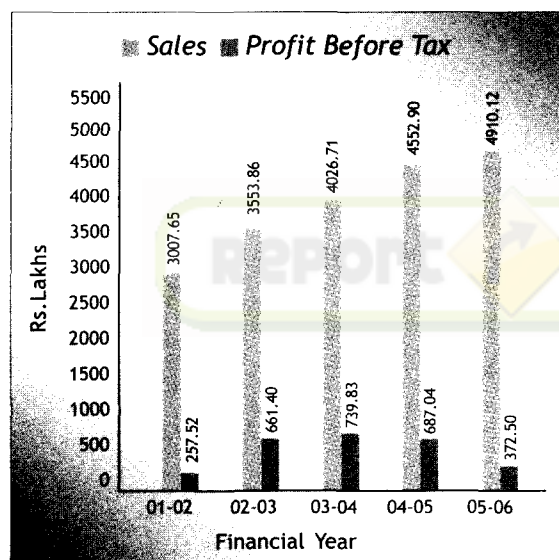
Bangalore Stock Exchange Limited
Stock Exchange Towers,
51, 1st Cross, J.C.Road,
Bangalore-560027



TEN YEARS AT A GLANCE

Rs.Lakhs

Particulars	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Sales	2388.03	2403.40	2445.25	2878.89	3149.34	3007.65	3553.86	4026.71	4552.90	4910.12
Profit Before Tax	336.23	291.89	286.77	339.03	210.93	257.52	661.40	739.83	687.04	372.50
Profit After Tax	196.23	194.89	191.77	203.03	100.93	150.17	365.40	418.81	439.13	245.43
Dividend (%)	50	60	70	80	55	72	150	150	140	125
EPS (Rs.)	61.32	61.92	60.00	63.45	31.54	46.93	114.18	130.87	137.22	76.69
Gross Fixed Assets	700.65	803.92	883.67	1159.30	1252.95	1371.41	1399.91	1431.32	1528.08	1796.44
Net Worth	754.39	931.40	1098.53	1270.85	1352.38	1429.51	1749.69	2116.03	2504.50	2753.44





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

D. Albert Irudayaraj

Aditya M. Gokarn

BANKERS

HDFC Bank Limited

Citibank N.A.

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.,
R & T Centre, Naveen Complex
4th Floor, No. 14, M.G. Road
Bangalore - 560 001.



NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of Triton Valves Limited will be held at Hotel Ajantha, 22- A, M.G.Road, Bangalore-560001 at 4.00 PM on Monday the 31st of July 2006 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2006, 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 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 an Ordinary Resolution.

“RESOLVED THAT Dr.B.R.Pai, who was appointed as an Additional Director of the Company and who holds office until the date of the Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act 1956 proposing his candidature to the office of a Director liable to retire by rotation in the Company, be and is hereby appointed as a Director of the Company.”

By order of the Board of Directors

Bangalore
20th May 2006

ANURADHA M. GOKARN
Managing Director

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

NOTES

1. Explanatory statement in regard to Item 6 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 VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd July 2006 to 31st July 2006 (both days inclusive).
4. The dividend recommended by the Board, if approved, at the Annual General Meeting, will be paid on or before 30th August 2006 to the Shareholders whose names appear in the Register of Members of the Company as on 31st July 2006 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 21st July 2006.
5. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with either the Corporate Secretarial Department at the Company's Registered Office or the Company's Registrar and Share Transfer Agent, Canbank Computer Services Limited, R & T Centre, Naveen Complex, 4th Floor, No.14 M.G. Road,



Bangalore - 560 001. 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 upto/for the financial year ended 31st March 1998 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.

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

Item No.6

In order to strengthen the Board, Dr.B.R.Pai was inducted as an Additional Director by the Board of Directors of the Company on January 22, 2006. In terms of Section 260 of the Companies Act, 1956 Dr.B.R.Pai holds office until the date of the Annual General Meeting.

The Company has received a notice in writing from a Member proposing the candidature of Dr.B.R.Pai for the office of Director of the Company under the provisions of Section 257 of the Act.

Dr.B.R.Pai is a distinguished scientist of the country. A graduate of the Indian Institute of Technology, Madras, Dr. Pai completed his Ph.D. from Imperial College, London. During his tenure spanning close to three decades at the National Aerospace Laboratories in Bangalore, Dr. Pai played a vital role in developing various technologies for the country in the field of Aerospace Engineering. His rich experience in engineering, project management and administration will greatly benefit the Company. His appointment as a Director is in the interest of the Company. A brief resume and other particulars of Dr.B.R.Pai as required to be furnished under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed.

Save and except Dr.B.R.Pai, no other Director of the Company is concerned or interested in the resolution set out at Item 6 of the Notice.

The Board commends the Resolution for your approval.

Details of Directors Seeking Appointment at the Annual General Meeting:

Particulars	Mr.M.R.Hosangady	Mr.P.P.Prabhu	Dr.B.R.Pai
Date of birth	November 11, 1926	May 21, 1940	November 27, 1944
Date of appointment	September 23, 2004	September 23, 2004	January 22, 2006
Qualifications	B.E.	M.Com	B.Tech, M.Sc.Engg. & D.I.C, Ph.D
Expertise in specific functional area	Wide experience in Corporate Management	Wide experience in Government and Corporate Management	Research in the field of Combustion, Heat Transfer and Energy Systems.
Directorships held in other Public Companies	Ester India Ltd. AFD Industries Ltd.	Subex systems Ltd. Bhoruka Power Corpn. Ltd. RNS Infrastructure Ltd.	Nil
Memberships/ Chairmanships of Committees of other Public Companies (includes only Audit and Shareholder Grievance Committee)	Ester India Ltd. AFD Industries Ltd.	Bhoruka Power Corpn. Ltd.	Council Member of the Aeronautical Society of India
No. of shares held in the Company	Nil	Nil	100



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Thirtieth Annual Report together with the Audited Accounts for the year ended 31st March 2006.

(Rs. in lakhs)

	31.03.2006	31.03.2005
1. Financial Results		
Profit for the year before Tax	372.50	687.04
Provision for Taxation	127.07	247.91
Profit after Tax	245.43	439.13
Add: (a) Refund of Income Tax	49.12	
(b) Balance brought forward	51.34	37.87
Profit available for appropriation	345.89	477.00
2. Appropriations		
Proposed dividend		
125 % on Equity Shares	40.00	44.80
Tax on dividend	5.61	5.85
General Reserve	250.00	375.00
Balance Carried forward	50.28	51.35
	345.89	477.00

3. Dividend

Your Directors are pleased to recommend a dividend of Rs. 12.50 per Equity Share (125 %) for the financial year ended 31st March 2006.

4. Performance

The Company's sales turnover net of discount increased to Rs.49.10 crores as against Rs.45.53 crores in the previous year. In spite of this increase, the pre-tax profit has reduced from Rs.6.87 crores to Rs.3.73 crores mainly due to increase in brass cost which is the major raw material for the Company.

5. Prospects for the Current Year

The demand for tyre valves is expected to rise in the coming year in line with the growth in the automotive industry. However, severe pressure on margins is anticipated during the year on account of the prevailing raw material prices which continue to remain volatile.

The Company's expansion project for increasing its production capacity to meet the growing domestic demand and also to make a thrust on exports is expected to be completed by the third quarter of the year. The prospects for the current year seem to be challenging. The management is confident of facing these challenges.

6. Directors

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

7. Auditors

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)

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

10. Conservation of Energy, Technology Absorption, Exports and Foreign Earnings and 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 Stock Exchanges, the Company hereby declares that the listings of its shares continued throughout the year with the following Exchanges and the Company has paid the listing fees up to date:

- (i) The Bombay Stock Exchange Limited, Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
- (ii) The Bangalore Stock Exchange Limited, Stock Exchange Towers, No.51, 1st 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 state that:

- (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 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 13.
- (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 May 20, 2006 to the Members together with the Annexure thereto containing information as required under Section 227 (4A) of the Companies Act, 1956 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.

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, vendors and investors for their continued support to your Company's growth. Your Directors place on record their appreciation of the support given by HDFC Bank and Citibank for meeting the long term and working capital needs of the Company's expanding operations.

The Directors are grateful to the State Government for their continued support to the Company's expansion plans. Your Board places on record its appreciation of the support provided by the customers and suppliers of the Company.

Your Directors are thankful to the esteemed shareholders for their support and encouragement. The 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

Bangalore
20th May 2006

P.P. PRABHU
Chairman



ANNEXURE TO DIRECTORS' REPORT

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

I A. Conservation of Energy

- (i) Power factor of power supplied from Karnataka Power Transmission Corporation Limited has been monitored and maintained at 0.95.
- (ii) Energy savers are connected to all lighting circuits.
- (iii) A.C. variable drives are connected to two 20 HP motors and to one 10 HP motor.
- (iv) Other measures like changeover from Halogen lamps to metal allied lamps, change over from Delta to Star connection in low torque application, etc. resulted in power saving.
- (v) 2767 KL of rain water was harvested and used for production, 240 KL of harvested rain water was used for drinking and cooking.

B. Technology Absorption

- (i) New products were developed to meet specific needs of the customers.
- (ii) Total Productive Maintenance was extended to all production machinery, focusing on availability, improvement and production efficiency of machinery.
- (iii) New machines are being developed to improve quality and productivity in certain work areas.

Benefits

- (i) Product range widened.
- (ii) Overall Equipment Efficiency improvement through good employee participation.

Future plan of action

- (i) To extend auto loading facility to more machines with manual loading.
- (ii) To develop alternative material for valve inserts.

Expenditure on Research & Development

(Rs. in lakhs)

(i) Capital	NIL
(ii) Recurring	Rs.14.15
Total	Rs.14.15
Total R&D expenditure as a Percentage of turnover	0.29%

C. Foreign Exchange Earnings and Outgo

Equivalent in Rupees

Foreign exchange earned through exports
(vide note No.21, Schedule 14 Part II)

34.47 lakhs

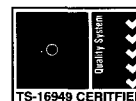
Foreign exchange used
(vide note No.20, Schedule 14 Part II)

439.42 lakhs

For and on behalf of the Board of Directors

Bangalore
20th May 2006

P.P. PRABHU
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

The tyre valve industry is an integral part of the automotive industry. Its growth is directly linked to the growth of the tyre industry. Between the years 2003 and 2005, the Company registered a growth rate of 13% in sales in value, year on year, reflecting the upward trend in the automotive industry and the tyre industry in particular. During this year however, the Company posted a growth rate of about 8% which is not wholly in keeping with the market growth. The growth during the year was hampered by capacity limitations. The Company is currently expanding its production capacity which will cater to the expected fast growing demand during the coming years.

The Company is keeping abreast of developments in the tyre industry. With new generation cars, tubeless tyres are plying on Indian roads. These tyres use tubeless valves, which form a different family of products. The Company possesses the requisite technology to manufacture tubeless valves and is already catering to this small but growing segment.

Opportunities and Threats

The Company believes that the automotive component industry in India has huge potential for growth in the coming years. Consequently, the tyre valve business has excellent long term growth potential. The capacity expansion which the Company has embarked upon is expected to further bolster its position in the coming years.

The market place is changing at a rapid pace as a result of globalization. Apart from India, China is emerging as a low cost supplier of this product. However, the Company is confident of retaining its share of the domestic market and making a headway in the world market by judicious cost cutting and retaining an edge in quality and service.

Segmentwise / Productwise Performance

The Company manufactures automotive tyre valves, valve cores and accessories. The sales figures net of discounts and inclusive of excise duty during the year as compared to the previous year are as follows.

	(Rs. Lakh)	
	2005-06	2004-05
Automotive tyre valves, valve cores and accessories	4910.12	4552.90

Outlook

The Company's manufacturing capacity and production is currently fully absorbed by the domestic market. On completion of the capacity expansion by the end of the calendar year 2006, the Company is confident of improving its sales and performance in both the domestic and export segments. The growth in the automotive industry continues to be robust and the prospects for the coming year are bright.

Risks and Concerns

Prices of critical raw materials such as copper, zinc and synthetic rubber witnessed unprecedented increases during the year. The trends in the metal markets in particular are a cause for concern. The price of copper jumped from US \$ 3395 per tonne in the month of March 2005 on the London Metal Exchange to US \$ 5103 in March 2006. The Company expects raw material prices to remain high during this year also. As on 19th May 2006, copper was quoted at US \$ 7952 per tonne on the London Metal Exchange. However the Company is confident of tiding over the difficult raw material scenario.

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.