

31st Annual Report 2007

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General Shareholders' Information:

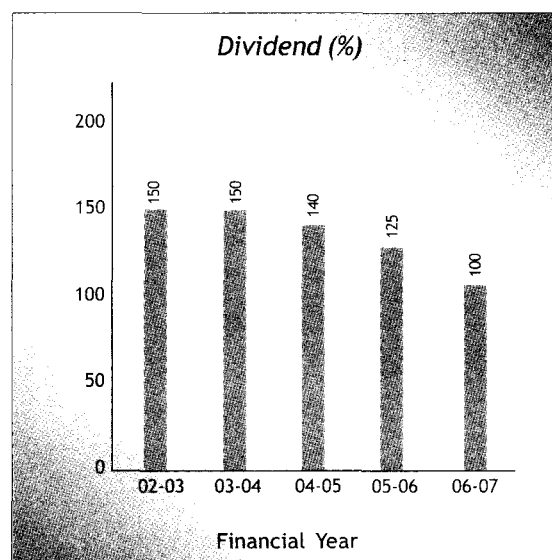
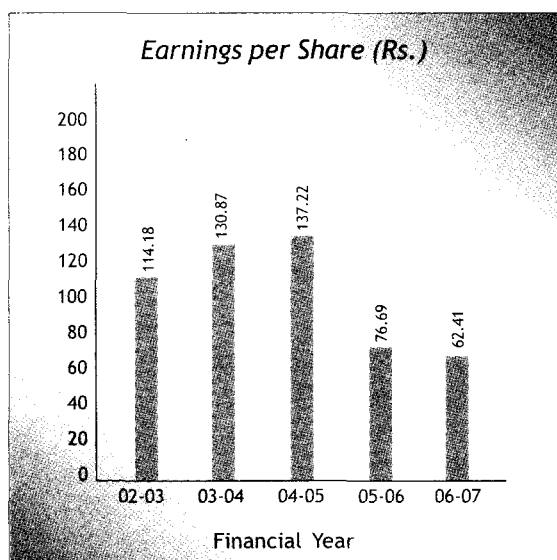
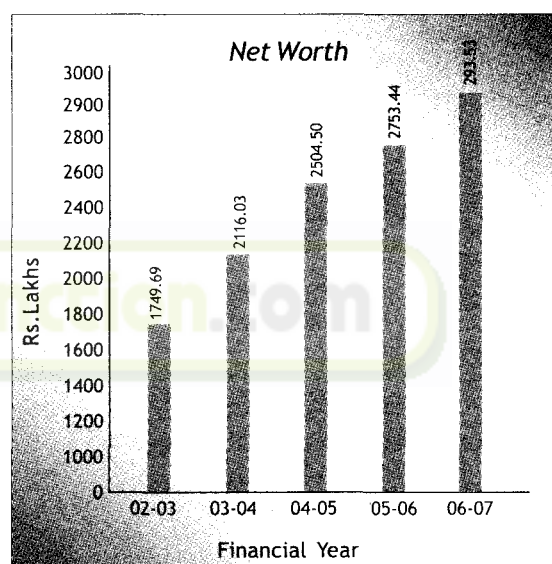
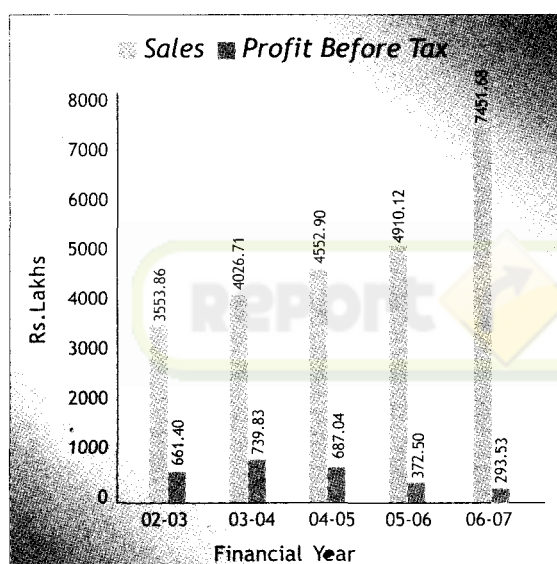
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|--|---|---|
| 1. Time & Date of AGM | : | 4.30 PM on Monday, July 30, 2007 |
| 2. Venue of AGM | : | Hotel Ajantha, 22-A, M.G.Road,
Bangalore-560001 |
| 3. Dates of Book closure | : | July 21, 2007 to July 30, 2007 |
| 4. Financial Year | : | April to March |
| 5. Dividend Payment Date | : | Before 29th August, 2007. |
| 6. The equity shares of Rs.10/- each listed at | : | Bombay Stock Exchange Limited
Phiroz Jeejeebhoy Towers, Dalal Street,
Mumbai-400 001.

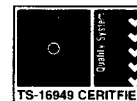
Bangalore Stock Exchange Limited
Stock Exchange Towers,
51, 1 st Cross, J.C.Road,
Bangalore-560 027. |

TEN YEARS AT A GLANCE

Rs.Lakhs

Particulars	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Sales	2403.40	2445.25	2878.89	3149.34	3007.65	3553.86	4026.71	4552.90	4910.12	7451.68
Profit Before Tax	291.89	286.77	339.03	210.93	257.52	661.40	739.83	687.04	372.50	293.53
Profit After Tax	194.89	191.77	203.03	100.93	150.17	365.40	418.81	439.13	245.43	199.72
Dividend (%)	60	70	80	55	72	150	150	140	125	100
EPS (Rs.)	61.92	60.00	63.45	31.54	46.93	114.18	130.87	137.22	76.69	62.41
Gross Fixed Assets	803.92	883.67	1159.30	1252.95	1371.41	1399.91	1431.32	1528.08	1796.44	2372.06
Net Worth	931.40	1098.53	1270.85	1352.38	1429.51	1749.69	2116.03	2504.50	2753.44	2915.72





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.

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



NOTICE

Notice is hereby given that the Thirtyfirst Annual General Meeting of Triton Valves Limited will be held at Hotel Ajantha, 22-A, M.G.Road, Bangalore-560001 on Monday the 30th of July 2007 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 2007, 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 Dr. M.N. Srinivasan who retires by rotation and being eligible, offers himself for re- appointment.
4. To appoint a Director in place of Mr. D.Albert Irudayaraj 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 Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, the approval of the Company be and is hereby accorded to the re-appointment of Mrs. Anuradha M Gokarn as the Managing Director of the Company for a further period of 3 years with effect from 01st October 2007 on the remuneration and other terms and conditions as set out in the explanatory statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorised to vary, alter or modify the terms and conditions including remuneration as may be agreed to by the Board of Directors and Mrs.Anuradha M. Gokarn.

FURTHER RESOLVED THAT in the event of the Company having no profit or inadequacy of profit during any financial year during her tenure of appointment the aforesaid remuneration shall be paid to Mrs. Anuradha M Gokarn as the minimum remuneration subject however to the conditions and the limits laid down under Section II of Part II of Schedule XIII to the Companies Act 1956.

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

“RESOLVED THAT, pursuant to the provisions of Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, the approval of the Company be and is hereby accorded to the re-appointment of Mr D. Albert Irudayaraj as a Whole-time Director of the Company for a period of 1 year with effect from 11th August 2006 on the remuneration and other terms and conditions as set out in the explanatory statement annexed to the Notice.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorised to vary, alter or modify the terms and conditions including remuneration as may be agreed to by the Board of Directors and Mr D. Albert Irudayaraj.

FURTHER RESOLVED THAT in the event of the Company having no profit or inadequacy of profit during any financial year during his tenure of appointment the aforesaid remuneration shall be paid to Mr.D.Albert Irudayaraj as the minimum remuneration subject however to the conditions and the limits laid down under Section II of Part II of Schedule XIII to the Companies Act 1956.”

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.



“RESOLVED that pursuant to the provisions of Section 198, 309, 310 and other applicable provisions, if any of the Companies Act 1956, the Company hereby approves the payment of the revised remuneration as set out in the explanatory statement annexed to the Notice to Mr. Aditya M Gokarn, Executive Director w.e.f. 1st April, 2007 till the expiry of his present term of office.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorised to vary, alter or modify the terms and conditions including remuneration as may be agreed to by the Board of Directors and Mr. Aditya M Gokarn.

FURTHER RESOLVED THAT in the event of the Company having no profit or inadequacy of profit during any financial year during his tenure of appointment the aforesaid remuneration shall be paid to Mr. Aditya M Gokarn, as the minimum remuneration subject however to the conditions and the limits laid down under Section II of Part II of Schedule XIII to the Companies Act 1956.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED that in supercession of the resolution passed at the 29th Annual General Meeting of the Company held on 18th August 2005 and pursuant to Section 293(1)(d) of the Companies Act 1956 and other applicable provisions of the said Act, if any, and the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time any sum or sums of money which, together with the monies, already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed in aggregate the paid up capital of the Company and its free reserves (i.e., to say, reserves not set apart for any specific purpose), provided that the total amount so borrowed shall not at any time exceed Rs.50,00,00,000/- (Rupees Fifty Crore Only) and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of such monies to be borrowed from time to time as regards interest, repayment, security or otherwise as they may deem fit and also to execute all such deeds and documents as may be necessary and required for the purpose”.

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company to mortgage and / or charge all or any immovable and movable properties of the Company wheresoever situated, present and future and / or whole or substantially the whole of the undertaking(s) of the Company with a power to takeover the management of the business and concern of the Company in certain events to or in favour of any bank and / or financial institution, body corporate or any other person whomsoever participating in extending the financial assistance, to secure term loan / working capital facilities, debentures or any other type of financial assistance of not exceeding Rs.50,00,00,000/- (Rupees Fifty Crore Only) lent and advanced / agreed to be lent and advanced by them together with interest, costs, charges, expenses and other monies payable by the Company to them under the loan agreements / letters of sanction / debentures trust deed, etc., and on such terms and conditions as may be arranged by the lenders and agreed to by the Board of Directors.

FURTHER RESOLVED THAT, the Board of Directors be and is hereby authorised to finalize and execute any and all agreements and documents, necessary for creating mortgages and / or charges as aforesaid and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient for implementing this resolution”.

By order of the Board of Directors

ANURADHA M. GOKARN
Managing Director

Bangalore
May 23, 2007

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 VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. The Instrument appointing the proxy 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 21st July 2007 to 30th July 2007 (both days inclusive).
5. The dividend recommended by the Board, if approved, at the Annual General Meeting, will be paid on or before 29th August 2007 to the Shareholders whose names appear in the Register of Members of the Company as on 20th July 2007 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 20th July 2007.
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, 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 the financial year ended 31st March 1999 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. The resolution at Item No.10 of the Notice is intended to be passed by postal ballot in terms of Section 192A of the Companies Act, 1956 and Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. The Notice of the Postal Ballot along with the Postal Ballot Form has been dispatched to all the Members in accordance with the Rules. The result of the Postal Ballot will be announced at the Annual General Meeting.

By order of the Board of Directors

ANURADHA M. GOKARN
Managing Director

Bangalore
May 23, 2007

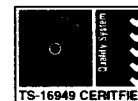
Registered Office:
Sunrise Chambers
22, Ulsoor Road,
BANGALORE - 560 042.

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

Item No 6

Mrs. Anuradha M Gokarn was re-appointed as Managing Director for a term of 5 years with effect from 01-10-2002 and her present term will end on 30-09-2007.

She has been managing the Company successfully and the Company has made substantial progress under her leadership. In view of the same, the Board of Directors considered that her continued services are in the interest of the Company. Accordingly in the Board Meeting held on 23rd May 2007 the Board has resolved to re-appoint her as the Managing Director of the Company for a further period of 3 years w.e.f. 01.10.2007 on the following remuneration and terms and conditions:



- a. Salary: Rs.1,25,000/- per month with an annual increment of Rs.10,000/- p.m.
- b. Perquisites and allowances

Category A

- i. Housing: Furnished residential accommodation or House Rent Allowance up to 50% of the Salary in lieu thereof.
- ii. Provision of gas, electricity, furnishing, etc., and the expenditure incurred by the Company on the same shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary.
- iii. Medical reimbursement: For self and family subject to a ceiling of one month's salary in a year or three months' salary in a block of three years.
- iv. Leave Travel Concession: For self and family, once in a year incurred in accordance with the rules of the Company.
- v. Club Fees: Club fees subject to a maximum of two clubs. This will not include admission and life Membership fee.
- vi. Personal Accident Insurance: Premium not to exceed Rs. 4000/- per annum.

Category B

- i. Company's Contribution to Provident Fund, Superannuation Fund or Gratuity as per the Rules of the Company.
- ii. Gratuity not exceeding half month salary for every completed year of service.
- iii. Earned / privilege leave as per the rules of the Company.
- iv. Encashment of unutilized leave as per the rules of the Company.

Category C

- a. Provision of car for use on Company's business and telephone at residence. Personal long distance calls on telephone and use of car for private purpose shall be billed to the Managing Director.
- b. Commission: Commission at a percentage of the net profits of the Company as may be determined with a proviso that the salary, commission and the value of applicable perquisites in aggregate shall not exceed 5% of the net profits of the Company for any financial year during her tenure during the tenure.

The Managing Director is not entitled to sitting-fees for attending meeting of the Board of Directors or any Committee thereof.

In the event of the Company having no profit or inadequacy of profit during any financial year during her tenure of appointment the aforesaid remuneration shall be paid to Mrs. Anuradha M Gokarn, as the minimum remuneration subject however to the conditions and the limits laid down under Section II 1(B) of Part II of Schedule XIII to the Companies Act, 1956.

The above remuneration has been approved by the Remuneration Committee in their meeting held on 23rd May 2007. In terms of Section II 1(B) of Part II of Schedule XIII the approval of the members for payment of the above remuneration is sought by way of a Special Resolution. The "Statement" containing the information required to be given pursuant to Section II 1(B) (iv) of part II of Schedule XIII of Companies Act, 1956 is annexed.

Period of appointment: Three years beginning 1st October, 2007 and ending on 30th September, 2010

The appointment may be terminated by either party by giving three months notice in writing.

The resolution seeks the approval of the Members for re-appointment of Mrs. Anuradha M Gokarn as the Managing Director of the Company for a further period of 3 years w.e.f.01.10.2007 pursuant to provisions of Section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956.



Mrs. Anuradha M Gokarn, Managing Director as the resolution relates to her appointment, Mr. M.R. Hosangady, Director and Mr. Aditya M. Gokarn - Executive Director being relatives in terms Section 6 read with Schedule 1A of Companies Act, 1956, may be regarded as interested or concerned in the resolution. No other Director is interested or concerned in the resolution.

This may also be regarded as an Abstract of Terms and Conditions of appointment of Managing Director and Memorandum of Interest pursuant to Section 302 of the Act.

Item No.7

Mr. D. Albert Irudayaraj has been managing the manufacturing operations of the Company successfully. He has made significant contributions to the Company and has played a crucial role in conceptualizing the capacity expansion. His re-appointment as a Whole-time Director is in the interest of the Company and the Board of Directors had re-appointed him as a Whole-time Director of the Company for a further period of one year w.e.f. 11th August 2006, subject to approval of the Company in General Meeting pursuant to Section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 on the following remuneration and terms and conditions:

- | | | | | |
|----|----|---|---|---|
| I | a) | Salary | : | Rs 55,000/- per month |
| | b) | Incentives | : | 30% of Basic Salary |
| | c) | Special Addl Commission | : | Upto Rs.5,00,000/- per annum |
| II | | Perquisites | | |
| | a) | HRA | : | 50% of Basic Salary per month |
| | b) | Gas, Electricity, Water & Furnishings | : | Rs.1,10,000/- per annum |
| | c) | Medical Reimbursement | : | Upto one month's basic salary per annum |
| | d) | Contribution to P.F & Superannuation fund | : | As per the Rules of the Company |
| | e) | Gratuity | : | As per the Rules of the Company |

The Resolution seeks the approval of Members in the General Meeting for the appointment in terms of Section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956.

As the resolution relates to his appointment and remuneration, Mr. D.Albert Irudayaraj may be considered as interested or concerned in the resolution. No other Director is interested or concerned in the resolution.

This may also be regarded as an Abstract of Terms and Conditions of appointment of a Wholetime Director and Memorandum of Interest pursuant to Section 302 of the Act.

The Director Manufacturing is not entitled to sitting-fees for attending meetings of the Board of Directors or any Committee thereof.

Item No.8

Mr.Aditya M.Gokarn was appointed as Executive Director of the Company w.e.f. 20th June 2005 for a period of three years. A nominal remuneration was fixed initially at the time of his appointment. Considering the responsibilities entrusted to him and the value of his services in overseeing the implementation of the Capacity Expansion, the Board of Directors considered it appropriate to review his remuneration and as approved by the Remuneration Committee (in their meeting held on May 23, 2007) have fixed the following revised remuneration subject to approval of the Members in the General Meeting.

- a. Salary : Rs.70,000/- per month with an annual increment of Rs.7,000 per month
- b. Perquisites and allowances

Caterogy A

- i. House Rent Allowance up to 50% of the Salary.
- ii Provision of gas, electricity, furnishing, etc.the expenditure incurred by the Company on the same shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary.



- iii. Medical reimbursement: For self and family subject to a ceiling of one month's salary in a year or three months' salary in a block of three years.
- iv. Leave Travel Concession: For self and family, once in a year incurred in accordance with the rules of the Company.
- v. Club Fees: Club fees subject to a maximum of two clubs. This will not include admission and life membership fee.
- vi. Personal Accident Insurance: Premium not to exceed Rs. 4000/- per annum.

Category B

- i. Company's Contribution to Provident Fund, Superannuation Fund or Gratuity as per the Rules of the Company.
- ii. Gratuity not exceeding half month salary for every completed year of service.
- iii. Earned / privilege leave as per the rules of the Company.
- iv. Encashment of the unutilized leave as per the rules of the Company.

Category C

- i. Provision of car for use on Company's business and telephone at residence. Personal long distance calls on telephone and use of car for private purpose shall be billed to the Executive Director.

The Executive Director is not entitled to sitting-fees for attending meeting of the Board of Directors or committee thereof.

In the event of the Company having no profit or inadequacy of profit during any financial year during his tenure of appointment the aforesaid remuneration shall be paid to Mr. Aditya M Gokarn, as the minimum remuneration subject however to the conditions and the limits laid down under Section II of Part II of Schedule XIII to the Companies Act 1956.

The above remuneration shall be paid for the remaining period of his tenure w.e.f. 1st April, 2007

The Resolution seeks the approval of the Members for payment of revised remuneration to Mr. Aditya M. Gokarn the Executive Director of the Company pursuant to provisions of Section 198, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956.

Mrs. Anuradha M Gokarn, Managing Director being a relative of the appointee in terms of Sec.6 read with Schedule 1A of the Companies Act 1956, may be regarded as concerned or interested in this resolution. Since the resolution is related to his appointment, Mr. Aditya M Gokarn may also be considered as interested. No other Director of the Company is concerned or interested in the resolution.

This may also be regarded as an Abstract of Terms and Conditions of appointment of a Whole-time Director and Memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

Item No.9

At the 29th Annual General Meeting of the Company held on 18th August 2005, the Members of the Company had authorized, pursuant to Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company to borrow up to Rs 30,00,00,000/- (Rupees Thirty Crore Only) from Banks / financial institutions.

In view of the increasing business activities and also ongoing expansion program, the Company may be required to borrow exceeding the above limit and it is considered expedient to enhance the borrowing limit of the Company.

It is therefore proposed to enhance the borrowing limit up to Rs.50,00,00,000/- (Rupees Fifty Crore Only).

The Resolution seeks the approval of the Members for revising the borrowing limit pursuant to Section 293(1)(d) of the Act.

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

Item No.10

Section 293(1)(a) of the Companies Act 1956 provides inter-alia that the Board of Directors of a Public Company shall not without the consent of the Members in a General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.