



# TRITON VALVES LIMITED

## ANNUAL REPORT

▶ 2019-2020

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**Corporate Overview**

---

**Page Content**

---

**4**    About the Company

---

**5**    Board of Directors

---

**7**    Chairman's Message

---

**Statutory Reports**

---

**11**   Board's Report

---

**59**   Management Discussion and Analysis

---

**64**   Corporate Governance Report

---

**Financial Report**

---

**86**   Independent Auditors' Report Standalone

---

**97**   Balance Sheet Standalone

---

**99**   Statement of Profit & Loss Standalone

---

**101**   Cash Flow Statement Standalone

---

**104**   Notes Forming Part Of Standalone Financial Statements

---

**145**   Independent Auditor's Report Triton Valves Hong Kong Limited

---

**147**   Balance Sheet Triton Valves Hong Kong Limited

---

**148**   Statement of Profit And Loss Triton Valves Hong Kong Limited

---

**149**   Cash Flow Statement Triton Valves Hong Kong Limited

---

**151**   Notes Forming Part Of Financial Statements Triton Valves Hong Kong Limited

---

**154**   Independent Auditor's Report Consolidated

---

**163**   Balance Sheet Consolidated

---

**165**   Statement of Profit And Loss Consolidated

---

**166**   Cash Flow Statement Consolidated

---

**169**   Notes Forming Part Of Consolidated Financial Statements

## ABOUT THE COMPANY

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Triton Valves was established in 1975 by our visionary founder M.V.Gokarn. Triton began manufacturing valves for the tyre and inner tube industry in 1978 and quickly emerged a market leader in India. As the automobile industry grew in India, Triton grew into India's largest manufacturer of tyre valves. With the advent of tubeless tyres Triton began manufacturing tubeless tyre valves and evolved from a Tier 2 to a Tier 1 supplier to the automobile industry. With its strong focus on product quality and R & D, Triton has now evolved into a precision manufacturer and critical supplier of valves and components to a diverse range of customers and industries from air conditioning and hydraulics to aerospace, mining, defence and industrial HVAC & R.

We are headquartered in Bengaluru India and our manufacturing facilities and R & D Center are located in Mysuru. We also operate warehouses in Bengaluru, Chennai and Delhi in order to serve our customers with Just-In-Time deliveries. All our facilities conform to IATF 16949, ISO 14001 and BS OHSAS 18001 standards.

## OUR VISION

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

## OUR MISSION

We don't just manufacture tyre valves. Our greater cause is safety in the movement of people and goods in India.

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## OUR VALUES

### PEOPLE

We have travelled many a mile on the rough road to success. But we have raced past every frontier and milestone, riding on the unparalleled strength of our people. As the most important force of our business, we have always endeavored to respect and empower them and bring out the best in each of them.

### CRAFTSMANSHIP

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

### EXCELLENCE

We have an innate desire to excel, however small or big the task might be. Always on the trail of newer frontiers and benchmarks, philosophies like 'get it right the first time', 'zero defect' and 'customer comes first' are a way of life with us.

### PASSION

We wear the Triton badge of passion on our hearts. It is this passion that allows us common people to attain uncommon results every time. Team Triton has always been about coming together, sharing together, working together and succeeding together.

### CUSTOMER SUCCESS

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

### ETHICS

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

### JOY OF LIFE

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

## BOARD OF DIRECTORS



**S K Welling, Chairman**

**Mr. S.K. Welling** is the Chairman of the Board. Mr. Welling is a graduate in Mechanical Engineering from Karnataka University and holds a Master's degree in Business Administration from the University of Leeds, UK. He was the former Executive Director of HMT Ltd. Mr. Welling has rich and wide industrial experience of over 35 years spanning several functional areas such as Strategic Planning, Corporate Restructuring, Industrial Engineering, Project Management, Technology Management, International Marketing and Human Resources Management.



**Aditya M Gokarn  
Managing Director**

**Mr. Aditya M Gokarn** is the Managing Director. Mr. Gokarn holds a Bachelor's degree in Mechanical Engineering from RV College of Engineering Bengaluru and a Certificate of Business Excellence from the University of California Berkeley. Mr. Gokarn has varied experience in business development, project execution and new product development. He has been instrumental in executing the capacity expansion and technology upgradation programs of the Company over the last 10 years.



**Anuradha M Gokarn  
Non-Executive Director**

**Mrs. Anuradha M Gokarn** holds an M.Phil. in English Literature from the University of London. Mrs. Gokarn took over the reins of the Company at a time of crisis when her husband and the Founder Managing Director, Mr. M V Gokarn passed away. She served as the Managing Director of the Company for a period of 26 years – from 1986 to 2012, during which she successfully steered the Company to a market leadership position and built a strong foundation on which the Company continues to grow till date.

## BOARD OF DIRECTORS



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

**Dr. B R Pai** completed his B.Tech from IIT Madras and went on to obtain a Ph.D. from Imperial College, London. He holds an M.Sc in Engineering and a Diploma from the Imperial College. He retired as Director of NAL in the year 2004. Dr. Pai is an expert in the field of combustion, heat transfer, air breathing propulsion systems and Computational Fluid Dynamics, has several patents and over a hundred papers and publications to his credit.



**Tamhant Jain**  
Independent Non-  
Executive Director

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



**Prashanth Nayak**  
Independent Non-  
Executive Director

**Mr. Prashanth Nayak** is the Managing Director of Yazaki India Private Limited. Prior to his current position, Mr.Nayak served as the CEO of Jai Group, a strategy consulting firm focussing on BRICS economies and specifically on the India Brazil corridor. Mr.Nayak joined Tata Administrative Service (TAS) in 1995 and served in the Tata Group for 14 years. Mr.Nayak graduated from the National Institute of Technology, Karnataka with a Bachelor's degree in Electronics and Communication. He also holds an MBA degree from the Indian Institute of Management, Kolkata.



## CHAIRMAN'S MESSAGE



Dear Shareholders,

Over the last two decades, the global economy has been grappling with a VUCA (Volatile, Uncertain, Complex & Ambiguous) environment. The COVID-19 pandemic has ravaged the economic foundations of the world and is forcing an unprecedented social, economic, and business response. It has fundamentally changed the way we live and work and has made 'Work from Home', 'Social Distancing' and 'Higher Technology Adoption' as the new normal.

As the world faces the spiralling effects of the pandemic, at Triton, we quickly took decisive action to respond to the unfolding challenges.

I am delighted with your Company's results for FY 2020 and proud of the excellent work carried out by the management team.

2020 was a year of positive change and transition for your Company. We took major steps forward in diversifying our business and building a highly robust and sustainable enterprise.

During the year, the Company set up two wholly owned subsidiaries, namely TritonValves Future Tech Private Limited and TritonValves Climatech Private Limited.

TritonValves Future Tech Pvt. Ltd. will emerge as a technology platform for the Company in the field of material science. This will enable Triton to develop and foray into a wide range of product applications in automobile, consumer durables, defence and aerospace.

TritonValves Climatech Pvt. Ltd. will develop, manufacture and market products for air-conditioning and climate control systems. The Company will develop products not just for the domestic market but will aim for a global presence with its superior technology and highly competitive products.

## PERFORMANCE DURING THE YEAR

The Financial Year 2019-20 was a period of significant external challenges, even before the COVID-19 crisis. Your Company reported a fair performance in terms of top line growth, all factors considered. In spite of the cost push on the raw material side, the management continued to focus on optimizing purchasing and improving operational efficiencies. The strong cost controls exercised on other expenses like energy consumption and manufacturing costs helped the Company to deliver improved profitability.

## KEY OPERATIONAL AND STRATEGIC HIGHLIGHTS

Your Company performed admirably overall. Allow me to outline the key results.

- Total turnover decreased to Rs. 213.67 crore as compared to Rs. 242.52 crore achieved in the previous year.
- Profit Before Tax (PBT) after exceptional items increased to Rs. 7.19 crore as compared to Rs. 4.16 crore in the previous year.
- Profit after tax (PAT) increased to Rs. 5.27 crore as Rs. 3.45 crore in the previous year.
- Basic Earnings per share aggregated to Rs. 53.17 from Rs. 34.86 in the previous year.

The Company performed impressively in both domestic as well as international markets. We intend to maintain this course of qualitative growth, which is why we are aligning our business even more closely with our core financial performance indicators.

The Board of Directors have recommended, and the Shareholders have accorded their approval as per the provisions of Section 62(1)(c) of the Companies Act, 2013 and SEBI Regulations through Postal Ballot, for the creation, offer, issue and allotment of Equity Shares and Convertible Warrants, on a preferential basis to members of the promoter group.

The Board of Directors recommended, an interim dividend of Rs.15 per equity share (150%) on a face value of Rs. 10 each to members paid in March, 2020.



The R&D team of the Company continues to develop new products and applications to de-risk the product portfolio and prepare for the long-term. During the year, the Company incurred R&D expenditure of Rs. 2.53 crore.

#### Outlook for the Future

In 2021, the main priority would be addressing the challenges arising out of the COVID-19 pandemic. The Company has been very agile and has developed the required systems and processes to ensure the safety of all employees while ensuring business continuity. While the pandemic has had a disruptive and damaging effect on the economy and people, the Company has also witnessed a silver lining in the momentum developing in the country towards self-reliance and 'Make in India'. This will no doubt create new and exciting opportunities for your Company and the management team is fully engaged in utilizing these for the benefit of the Company.

#### Acknowledgments

2020 would not have been so successful without the huge commitment of our Triton team members, whom I would like to thank specially and warmly. I would like to extend my sincere thanks to you, the esteemed shareholders, for your confidence and your invaluable support to me, to the Board of Directors and to the Company as a whole. I am confident that your continued support shall be available to us in the same way that you have stood by us over the years. I am equally grateful to all key stakeholders namely customers, suppliers, bankers and government authorities for their continued trust and support.

I thank all my colleagues on the Board for helping me sustain the good governance culture across the organisation and fulfilling the responsibilities of Board. I would like to once again place on record my appreciation of the sincerity, hard work, commitment and dedication of the entire Triton team.

Thank You,

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



## CORPORATE INFORMATION

### KEY MANAGERIAL PERSONNEL

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

### MANUFACTURING LOCATIONS

#### Mysuru

Mercara Road,  
Belavadi  
Mysuru - 570 018

#### Gujarat

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

### STATUTORY AUDITORS

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

### SECRETARIAL AUDITOR

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

### INTERNAL AUDITORS

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

### BANKERS

HDFC Bank Limited  
DBS Bank  
Kotak Mahindra Bank  
Yes Bank  
SVC Bank Ltd  
The Federal Bank Ltd  
UCO Bank

### REGISTERED OFFICE

Sunrise Chambers  
22, Ulsoor Road, Bengaluru - 560 042

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Ecomm Portal: [www.tritonvalves.in](http://www.tritonvalves.in)

### SHARE TRANSFER AGENT

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