

NOTICE

Notice is hereby given that the Twenty Sixth annual General Meeting of the members of the Toyama Electric limited will be held on Wednesday the 21st September, 2011 at the Registered Office of the Company at **No.36(A) KIADB Industrial Area, Hoskote - 562114** at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March , 2011 the profit and loss for the year ended on that date together with the reports of the Directors thereon and Auditors thereto.
2. To appoint a Director in the place of Shri. Akmal Hassan Razvi, who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint a Director in place of Dr.Mohd.Taha Matheen, who retires by rotation and being eligible offers himself for re- appointment.
4. To appoint Auditors and fix their remuneration.

For Toyama Electric Limited

Place: Bangalore Mustafa Kamal Basha
 Date: 30th May 2011 **Chairman & Managing Director**

NOTES:

A member entitled to attend and vote at the Meeting is also entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member. The proxies in order to be effective should be lodged with the Registered Office of the Company not less than 48 hours before the Commencement of the meeting.

1. The Register of members and the Share transfer Books of the Company will remain closed from the 19th September, 2011 To 21st September 2011. (Both days inclusive)
2. Members are requested to bring the Annual report copy and the Attendance slip annexed hereto, to the meeting.

DIRECTOR'S REPORT TO THE SHAREHOLDERS

To
The Members

Your Directors have pleasure in presenting the 26th Annual Report together with the Audited Accounts for the financial year ended 31st March, 2011.

1. Financial results and Appropriations: (In Lakhs)

PARTICULARS	2010-11	2009-10
Gross Income	797.13	722.31
Profit before Tax	26.51	63.12
Provision for Tax		
Current	10.00	21.10
Deferred	-4.34	-1.23
Fringe Benefit Tax	0.00	0.00
Excess provision of Income	0.00	0.00
Tax relating to previous year	0.00	0.00
Written back	0.21	0.00
Profit after Tax	21.08	43.25
Surplus brought forward	39.17	47.06
Profit available for Appropriation	60.24	90.41
Transfer to General Reserve	5.00	25.00
Dividend	0.00	22.43
Dividend Tax	0.00	3.81
Surplus carried forward	55.25	39.17

Though the gross income has increased during the year the profit before Tax has decreased from Rs.63.12 lacs to Rs.26.51 lacs mainly because of steep escalation in input costs of metals especially copper. The price of the product remaining unchanged there has been a decline in the margins.

2. Dividend:

As the profit after tax is not adequate to cover the dividend payable if any declared and as your directors desire to conserve the profits for future activities, no dividend is recommended for the year 2010-2011.

3. Fixed Deposits:

The Company has neither invited nor accepted any fixed Deposits from the public during the Financial year under review.

4. Directors:

Sri Akmal Hassan Razvi and Dr. Mohd.Taha Matheen, Directors of the Company retire by rotation and being eligible offer themselves for reappointment.

5. Directors Responsibility Statement:

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors hereby report:

- a) That in the preparation of Annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2011 and of Profit and Loss Account for the year ended as on that date.
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for the safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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d) That the directors have prepared annual accountants on a going concern basis.

6. Conservation of Energy, technology Absorption and foreign Exchange earnings and outgo:

The requisite information with regard to Conversation of Energy , Technology absorption and Foreign Exchange outgo and earnings in terms of Companies(Disclosure of Particulars in the report of Board of Directors) Rules,1988 are set out in separate statements attached hereto (annexure "A" & "B" respectively) and form part hereof.

7. Personnel:

Information in accordance with sub section (2A) of section 217 of the Companies Act,1956, read with the Companies (Particulars of employees) Rules 1975,and forming part of Director's report for the year ended 31 st march , 2011 is not applicable as there was no employee drawing remuneration in excess of prescribed limits.

8. Auditors:

M/s K S. Aiyar & Co., Chartered Accountants retires at the forth coming Annual General Meeting and are eligible for re appointment. As required under Section 224 of the Companies Act, 1956, the company has obtained from them a confirmation to the effect that their re-appointment, if made , would be in conformity with the limits prescribed in the said section.

9. Corporate Governance and Compliance Certificate:

Separate notes on Corporate Governance and Management Discussion and Analysis report are set out as annexure "C" and "D" respectively. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

10. Listing Agreement Requirements:

- (i) The securities of your Company are listed at BSE Limited. The Company has paid the Annual Listing fees to the stock Exchange up to date.
- (ii) Trading in company's Securities has not been suspended for any reason during the year under review.

11. Buy Back of Shares:

There was no buy back of shares during the year under review.

12. Acknowledgments :

Your Directors thank ICICI Bank and State Bank of India for their continued support. Your Directors also thank Employees, Share holders, Customers, distributors and others associated with the Company for their continued support.

Place: Bangalore
Date: 30th May, 2011

On behalf of the Board
Mustafa Kamal Basha
Chairman & Managing Director

ADDENDUM TO THE DIRECTOR'S REPORT TO THE MEMBERS FOR THE FINANCIAL YEAR ENDED ON 31 ST MARCH, 2011 AND FORMING A PART THEREOF.

Information pursuant to Section 217(3) of the Companies Act, 1956 and forming part of the aforesaid Director's Report:

Explanation to serial No.1 f. of the Auditors Report and Serial No.2 to notes to accounts on confirmation of balances:

"The company has sent letter of confirmation of Balance to all the debtors as on 31.03.2011 instructing them to acknowledge and return the same directly to the Company's Auditors. It has been specifically mentioned in the letter sent to them that if no confirmation is received by the auditors within a fortnight; the balance stated in the letter shall be taken as the confirmed balance. However, efforts are being continuously made to educate the dealers and distributors of the importance of confirming the balance.

Place : Bangalore
Date: 30th May, 2011

For and behalf of the Board
Mustafa Kamal Basha
Chairman & Managing Director

Annexure "A" to Director's Report

CONSERVATION OF ENERGY:

a) Energy Conservation measures taken:

The Company has always been conscious of the need to conserve energy and all appropriate steps are being taken to reduce energy consumption.

- b) Additional investments and proposals if any, being implemented for reduction of consumption of Energy. Nil
- c) Impact of measures at (a) and (b) above for reduction of Energy consumption and consequent impact on the cost of production of goods.
- d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure. Not Applicable

Annexure "B" to Director's Report Form "B"

Disclosure of Particulars with respect to Technology absorption:

A. Research and Development (R&D):

The Company is a manufacturing organization and is not engaged in any major Research and Development activity. However, continuous efforts are made to improve the quality and efficiency and to develop new products.

**Annexure “C” to Director's Report
CORPORATE GOVERNANCE**

B. Technology Absorption, Adaptation and Innovation:

(i) Efforts in brief , made towards technology absorption , adaptation and innovation.

(ii) Benefits derived as a result of the above efforts eg. Product improvement, Cost reduction, Product development, imports substitution etc.

(i) &(ii) based on our continuous efforts made towards technology absorption and innovation , the Company could achieve smooth plant operation and better efficiency norms during 2010-2011in both wiring accessories and Electro Mechanical devices units as compared to the previous year.

(iii) In case of Imported Technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished :

- a) Technology imported.
- b) Year of Import : The Technology used is indigenous
- c) Has technology been fully absorbed: for manufacturing
- d) If not fully absorbed , areas where this Company s products has not taken place , reasons therefore indigenous and future plans of action:

Foreign Exchange Earnings and Outgo:.....
Foreign Exchange Earnings : Rs. 344641.00
Foreign Exchange outgo : Rs. 21150.00

1. Company's Philosophy:

Your company has been practicing sound Corporate Governance Practices long before the Securities and Exchange Board of India (SEBI) Guidelines on Corporate Governance were notified . A good Corporate Governance policy is one which results in the control of the Company in a regulated manner which makes management transparent , ethical, accountable and fair resulting in enhanced shareholder value. The Management is pleased to provide a detailed disclosure of specific matters required by SEBI.

2. Board of Directors :

The Board comprises of six Directors ,of whom three are promoter Directors and remaining three are independent Directors. Mr. Mustafa Kamal Basha is the Chairman and Managing Director and Mr.S.M.M.Azeez is the Director (Technical) of the Company .The rest of the Directors are Non Executive Directors.

During the year under review,...five. Board meetings were held. The Composition of the Board of Directors and their attendance at the Board meetings during the year and at the last annual General meeting and also Directorships/ membership/ Chairperson of Committees in other companies are as follows.

Sl. No.	Name of the Director	Category of Director	No of meetings attended	Attendance at the last AGM	Directorship in other Companies	Membership/Chairperson of Committees of other Companies
1.	Sri. Mustafa Kamal Basha	Chairman & Managing Director	5	Yes	Nil	Nil
2.	Sri SMM Azeez	Director (Technical)	5	Yes	Nil	Nil
3.	Smt Farah Khan	Promoter Non-Executive Director	5	Yes	Nil	Nil
4.	Sri A.S Lakshmanan	Non Executive Independent Director	5	Yes	5	4
5.	Sri Akmal Hasan Razvi	Non Executive Independent Director	5	Yes	Nil	Nil
6.	Dr Mohammed Taha Matheen	Non Executive Independent Director	4	Yes	Nil	Nil

The details of the attendance of Directors for committee meetings Viz., Audit committee and Shareholders/Investor grievance committee are furnished elsewhere.

3. Audit Committee:

(i) Terms of reference :

Apart from all the matters provided in clause 49 of the Listing agreement and Section292A of the Companies Act,1956, the Committee reviews reports of Internal Audit department, meets Statutory Auditors periodically and discusses their findings,

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suggestions, internal control systems , scope of audit , observations of the auditors and other related matters and reviews major accounting policies followed by the Company.The minutes of the audit Committee meetings are circulated to and confirmed by the Board of Directors.

(ii) Composition:

Sri A. S. Lakshmanan, an Independent and Non executive Director is the Chairman of the Audit Committee together with their attendance at the Audit Committee meetings during the financial year 2010-11 are furnished hereunder.

Sl. No.	Name of the Directors	Designation	No of meetings held	No of Meetings Attended
1.	Sri A.S Lakshmanan	Chairman	5	5
2.	Smt. Farah Kamal	Member	5	5
3.	Sri Akmal Hasan Razvi	Member	5	5
4.	Dr Mohd Taha Matheen	Member	5	4

4. Shareholder's Investor's Grievance Committee:

(i) Terms of reference:

The shareholders/ Investor's Grievance Committee oversees the following functions:

- Approving the transfer and transmission of securities.
- Issuance of Duplicate share Certificates
- Redressing grievances received from the investors
- Suggesting measures to improve investor satisfaction.

(ii) Composition

Sri Akmal hasan Razvi, an independent and non executive Director is the Chairman of the Committee. The Committee comprises of four Non Executive Directors.The present members of the committee together with their attendance at the Committee meetings during the financial year 2010-11 are furnished hereunder:

Sl. No.	Name of the Directors	Designation	No of meetings held	No of Meetings Attended
1.	Sri Akmal Hasan Razvi	Chairman	5	5
2.	Sri A.S Lakshmanan	Member	5	5
3.	Smt. Farah Kamal	Member	5	5
4.	Dr Mohd Taha Matheen	Member	5	4

5. Share Transfer Committee :

(i) Terms of reference:

The Committee has been formed to approve matters relating to Transfer and Transmission of securities issued by the Company and other allied matters.

(ii) Composition:

The Committee has three directors . Other details are as follows:

Sl. No.	Name of the Directors	Designation	No of meetings held	No of Meetings Attended
1.	Sri. S M M Azeez	Chairman	12	12
2.	Sri Mustafa Kamal Basha	Member	12	12
3.	Smt Farah Kamal	Member	12	12

(iii)Investor's requests received and resolved during the year:

The Company has about 4013 investors . During the year under review , all the requests received towards Transfer/ Transmission of shares and other matters have been redressed to the satisfaction of the shareholders.

Details of remuneration paid to Directors for the year 2010-11

(a) Executive Directors

Sl. No.	Name of the Directors	Designation	Salary	Perquisites
1.	Sri Mustafa Kamal Basha	Chairman& Managing Director	Rs 1500000.00	Rs.0.00
2.	Sri. S M M Azeez	Director(Technical)	Rs 1500000.00	Rs.0.00

(b) Non Executive Directors:

The Company does not pay any remuneration to Non Executive Directors, except sitting fee for attending the meetings of the Board and Committee thereof..

7. Board Procedures:

The Board of Directors of the Company met on Five. Occasions and on no occasions the gap between two meetings exceeded four months. The dates of the Board meetings are furnished as hereunder:

28.04.2010	28.05.2010	29.07.2010	28.10.2010	27.01.2011
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None of the Directors is a member of more than 10 Committees or acted as the Chairman of more than 5 Committees across all the companies in which they were Directors.

Further, the directors of the Company who are holding the positions as Directors in other Companies have intimated the Company about the Committee positions they occupy in other Companies.

8. Appointment of Directors:

Sri. Akmal Hasan Razvi and Dr.Mohd.Taha Matheen retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. A brief resume and Directorship and Memberships in committees of the Board/s of other Companies are furnished hereunder:

Sl. No.	Name of the Directors	Appointment or Re-appointment	Brief Resume	Other Directorships
1.	Sir Akmal Hasan Razvi	Re-appointment	He is an High Court Advocate having vast Managerial experience	Nil
2.	Dr. Mohd.Taha Matheen	Re-appointment	He is a renowned physician with rich managerial experience	Nil

9. General Body Meetings:

Details of the date and venue of the last three Annual General Meetings are given below:

Sl. No.	Details of Meeting	Date	Venue
1.Annual General Meeting	13th September 2008	Toyama Electric Limited 36(A) KIADB Industrial Area Hoskote-562114
2.	... Annual General Meeting	13th September 2009	
3.Annual General Meeting	10th September 2010	Conference Hall, Ramanna Maharashtra Heritage Centre, Post Offic Road, Sanjayanagar, Bangalore-560094

Special Resolutions transacted at the last three Annual General Meetings.

During the 23rd Annual General meeting held on 13th September, 2008 two Special Resolutions for the appointment of Mr.Mustafa Kamal Basha as Chairman & Managing Director and Mr.S.M.M.Azeez, as Director (Technical) was passed. There was no occasion to pass Special resolution through postal ballot on any matters specified under Clause 49 of the listing Agreement.

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10. Disclosures :

- a. There are no materially significant transactions with related parties Viz., Promoters, directors or the Management, their subsidiaries or relatives conflicting the Company's interests.
- b. No penalties or strictures were imposed on the Company by any regulatory authority for non-compliance of any law.

11. Compliance of Insider Trading Norms:

The Company has adopted the code of internal procedures and conduct for listed Companies notified by the Securities and Exchange Board of India prohibiting Insider trading. A policy document on Internal code of Conduct is available at the Registered office of the Company.

12. Means of Communication:

The quarterly, half yearly and annual audited results of the Company are sent to the Stock exchanges immediately after they are approved by the Board. The results are published in Financial Express (All India Editions) and in Sanjee Vani (Local Daily).

13. General Shareholder's Information:

(i) Annual General Meeting:

Date	: 21 st September, 2011
Time & Venue	: 11.00A.M. at Toyama Electric Limited, 36(A), KIADB Industrial Area, Hoskote-562114
Financial year	: 01.04.2010 to 31.03.2011
Date of the Book Closure	: 19.09.2011 to 21.09.2011 (both days inclusive)
Listing of Stock Exchange	: BSE Limited
Company's Code/symbol/ Series in	: i) BSE17407/TOYAMAELECTRIC
Stock Exchanges	(BSE INDONEXT)

(ii) Tentative Financial Calendar: (2011-2012)

a) Annual General Meeting	: 21st September, 2010
b) Results for the quarter ending 30th June, 2011	: Last week of July 2010
c) Results for the quarter ending 30th September	: Last week of October 2011
d) Results for the quarter ending 31st December, 2011	: Last week of January, 2012
e) Results for the quarter ending 31st March, 2012	: Last week of May 2012

Distribution of Shareholding as on 31.03.2011

Share holding of Nominal Value of	Share Holders		No of shares			
	Rs.	Ps.	Number	% of Total	Number	% of Total
(1)			(2)	(3)	(4)	(5)
Up to 5,000			3978	99.14	8091730	26.97
5,001-10,000			18	0.45	1426990	4.76
10,001-20,000			7	0.17	982520	3.28
20,001-30,000			3	0.07	645020	2.15
30,001-40,000			1	0.02	384500	1.28
40,001-50,000			2	0.05	978540	3.26
50001-1,00,000			2	0.05	1290500	4.30
1,00,001 and above			2	0.05	16200200	54.00
Total			4013	100.00	30000000	100.00

(ii) Details of share holding as on 31.03.2011

Sl. No.	Category	No of Shares held	Percentage of Holding
1.	Promoters	1674060	55.96
2.	Foreign institutions, Banks & mutual Funds	Nil	Nil
3.	Private Corporate Bodies	160827	5.36
4.	NRIs, Foreign Nationals, OCBs & FIIs	70770	2.36
5.	Indian Public and NRIs	1094343	36.32
	TOTAL	3000000	100.00

iv) Market Price Data:

High/low of market price of the Company's equity shares traded on the BSE during the Financial year 2010-2011 was as follows:

Month	BSE Limited	
	High	Low
April 2010	15.64	12.65
May 2010	14.25	12.00
June 2010	16.21	12.25
July 2010	17.60	14.01
August 2010	17.80	15.05
September 2010	34.00	16.40
October 2010	39.10	22.10
November 2010	39.50	25.25
December 2010	28.80	19.75
January 2011	23.00	18.80
February 2011	22.00	17.20
March 2011	18.50	14.75

(v) Dematerialization of shares and liquidity:

The Shares of the Company fall under compulsory delivery in dematerialized mode by all categories of the investors. The International Securities Identification Number (ISIN) allotted to the Company is INE081D01016. The Company has signed agreements with both National Securities Depository Limited and Central Depositories Services (India) Limited. About 33.13% of Company's shares have been dematerialized as on 31.03.2011

(vi) Registrar and Transfer Agents:

Pursuant to the listing Agreement/ SEBI requirement, your company has appointed M/s. Integrated Enterprises Private Limited (earlier known as Alpha Systems Private Limited) as common agency to look after the issues relating to Dematerialized/physical shares. As such, all investor related matters including share transfers are handled by them. Necessary delegation of authority for smooth execution of the activities like transfer, endorsement, allotment endorsement etc has been made. Periodical reports are being received and necessary action is also taken for redressal of grievances of investors, if any

(vii) Share Transfer System:

Consequent to appointment of M/s. Integrated Enterprises Private Limited as Share Transfer Agents, the share transfer work of Physical shares has been delegated to the above said agency. However periodical reports are being received by the Company in respect of transfers made and necessary delegation has also been made for the endorsement of transfers etc. for smooth execution of the share transfers and other connected works.

(viii) Outstanding GDRs/ADRs/ warrants or any Convertible instruments

Conversion date and likely impact on equity shares:

No such warrants/ instruments have so far been issued by the Company.

(ix) Plant Location:

M/s. Toyama Electric Limited
#36(A), KIADB Industrial Area,
Hoskote, Bangalore-562114

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(x) Address for correspondence:

Investor Correspondence for Transfer/dematerialization of shares, payment of dividend on shares and any other query relating to the shares of the company.	M/s Integrated Enterprises Private Limited #30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore-560003 Tel: 080-3460815-18 Fax:080-3460819 E-mail:alfint@vsnl.com
Any query on Annual Report	Mr. Mustafa Kamal Basha Executive Director M/s Toyama Electric Limited #36(A), KIADB Industrial Area, Hoskote, Bangalore-562114 Tel: 080-7971457/7971466/7971607, Fax:080-7971749, E-Mail: toyama@vsnl.com www.toyamaindia.com

xi) Location of Registered Office:

M/s Toyama Electric Limited
#36(A), KIADB Industrial Area,
Hoskote, Bangalore-562114
Tel: 080-7971457/7971466/7971607
Fax:080-7971749
E-Mail: toyama@vsnl.com
www.toyamaindia.com

Annexure 'D' to Director's Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

The global recession has had an impact on our economic growth. The slowdown in the real estate sector due to continuous increase in interest rates and escalation in cost of inputs the industrial sector growth particularly in the industry in which your company operates is not impressive. This phase is likely to continue in the current year.

2. OPPORTUNITIES AND THREATS:

With the size and population of a country like India the opportunities in the housing sector are continuous. The current situation in infrastructure and investments are also indicating a slow down for this industry. The threat is coming in from the MNCs in this segment and also the mushrooming of small players who operate at lower duties make this industry highly competitive.

3. SEGMENT WISE PERFORMANCE:

Particulars	Sales(In Units)		Sales(In Rs)	
	2010-2011	2009-2010	2010-2011	2009-2010
Writing Accessories & Electro Mechanical Devices	2659685	2187991	80770093	68977483

4. OUTLOOK:

The company is hopeful of reasonable growth for the current year. It is also its endeavor to benchmark and upgrade its products to match the onslaught of MNC competitors. The Company is also on the lookout for export Manufacturing and trying to explore venues for the same.

5. RISKS AND CONCERNS:

In Electro mechanical devices, obsolescence of designs are becoming faster. The turn time for new products is falling, which is a grave risk.

6. INTERNAL CONTROL AND SYSTEMS:

The Company has adequate system of Internal controls to ensure accuracy of records and compliance with statutory laws and guidelines prescribed by the management.

An independent firm of Chartered Accountants also carries out an internal audit.
Financial performance with respect to Operational performance;

Particulars	2010-2011	2009-2010
Sales (Rs in crores)	7.97	7.22
Profit before Tax (Rs in lakhs)	26.51	63.12

Your company has posted a turnover of Rs.7.97 crores showing an increase of Rs.0.75 lakhs over the previous year. However, the profit after tax has decreased to Rs.21.07 lakhs against Rs.43.25 lakhs during the previous year. The overall performance of the company during the year was satisfactory.

8. HUMAN RESOURCES:

The Company is continuously trying to enhance its human resources. Training programmes were conducted in the manufacturing side. On the selling front a lot of programs were conducted for enhancing the selling skills of the sales team. The Company is working in the current year to work on an effective sales management program for its middle level managers.

CEO & CFO CERTIFICATION

- A. We have reviewed the financial statements and the cash flow statement for the year ended 31 st March.2011 and certify, that to the best of our knowledge and belief, that:
- I. These documents present a true and fair view of the Company s affairs and are in compliance with the existing Accounting Standards, applicable laws and regulations.
 - II. These statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading
 - III. No transaction entered into by the Company during the year were fraudulent, illegal or violative of the Company s code of conduct and no instances of fraud took place;
 - IV. We accept responsibility for establishing and maintaining internal controls for financial reporting.
 - V. We have evaluated the effectiveness of the internal control systems of the Company, and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and have taken steps to rectify the same, wherever found.
 - VI. Significant changes in the internal control over financing reporting as well as changes in accounting policies, if any have been intimated to the auditors and the auditors and the Audit Committee and been disclosed in the notes to the Financial Statements.
- B. We further declare, in compliance to clause 49, (D) (ii) to Listing Agreement, that all the members and senior management personnel have affirmed compliances with the code of Conduct of the Company.

For Toyama Electric Limited

Mustafa Kamal Basha
Chairman & Managing Director

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To the members of TOYAMA ELECTRIC LIMITED, Bangalore

We have examined the compliance of conditions of Corporate Governance by TOYAMA ELECTRIC LIMITED Bangalore for the year ended 31st March 2011 as stipulated in clause 49 of the listing agreement of the said company with stock exchanges in India.

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 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 the above mentioned listing agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Share Registrars and reviewed by the Shareholders'/ Investors' Grievance Committee.

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

For K. S. AIYAR & Co
Chartered Accountants
Firm Registration Number 100186W

Bangalore
Date: 30-May-2011

Sd/-
Ramamohan Hegde
Partner
M. No 23206

AUDITORS' REPORT

To
The Members of
Toyama Electric Limited
Bangalore.

We have audited the attached Balance Sheet of **TOYAMA ELECTRIC LIMITED, BANGALORE** as at 31st March 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. 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.

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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Company's (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 matters specified in paragraphs 4 and 5 of the said Order.

I. Further to our comments above, we state that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion proper books of account as required by the Companies Act, 1956 have been kept by the Company so far as appears from our examination of the books.
- c. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Profit and Loss Account and the Balance Sheet dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.

- e. On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act 1956
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to -
 - i) *Confirmation of balances to be received from few parties as referred to in note 2 in Schedule S (Impact on Company's profit/reserves not ascertainable)*

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 Balance Sheet of the state of affairs of the Company as at 31st March 2011 and
- b) In the case of Profit and Loss account of the Profit of the Company for the year ended on that date.
- c) In the case of Cashflow statement of the cashflows for the year ended on that date

For **K.S.AIYAR & CO.,**
Chartered Accountants
Firm Registration Number 100186W

Bangalore
30-May-2011

RAMAMOHAN R HEGDE
Partner
M.No.23206

ANNEXURE TO THE AUDITORS REPORT

Statement referred to in paragraph 1 of our report of even date to the members of TOYAMA ELECTRIC LIMITED BANGALORE, on the Accounts for the year ended 31st March 2011.

In our opinion, and on the basis of such checks of the books and records as we considered appropriate, and according to the information and explanations given to us during the normal course of audit, which were necessary to the best of our knowledge and belief, we report that: -

- (I)
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the Management during the year and there is a regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on the verification.
- (c) The company has not disposed off any fixed assets during the year.
- (ii)
- a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii)
- a) The Company has not granted loans, secured or unsecured to companies, firms or other parties listed in the Register, maintained Under Section 301 of the Companies Act, 1956.
- b) The Company has not given any loans to parties except interest free staff advances and the principal amounts of such advances are being repaid as stipulated.
- (iv)
- In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, components, Plant and Machinery, Equipment and other assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v)
- a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956 have been so entered
- b) In our opinion and according to the information and explanations given to us, there are no transactions exceeding Rs Five Lakhs each which have been made at prices, which are not reasonable having regard to the prevailing market prices, for such goods, materials or service at the relevant time.
- (vi)
- According to the information and explanations given to us, the Company has not accepted any deposits Under Section 58A of the Companies Act, 1956.
- (vii)
- In our opinion, the Company has an internal Audit system commensurate with the size and nature of its business.
- (viii)
- As informed to us maintenance of cost records Under Section 209(1) (d) of the Companies Act, 1956 is not prescribed to the Company.
- (ix)
- (a) According to information and explanation given to us, and as per our verification of records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund and Employees State Insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears as at 31st March 2011 for a period of more than six months from the date they became payable.
- © According to the information and explanations given to us there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (x)
- The Company has neither accumulated losses as at 31st March 2011 nor it has incurred any cash losses during the financial year ended on that date.
- (xi)
- Based on the information and explanations given by the management, and as reflected in the books the company

has not taken any loan from any financial institution or bank.

(xii)

The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii)

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.

(xiv)

According to information and explanations given to us, Company is not a dealer or trader in securities.

(xv)

As explained to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

(xvi)

According to the information and explanation given to us and as per the books of account the company has not taken any term loans during the year.

(xvii)

According to the information and explanations given to us and on an overall examination of the balance sheet of the

company, we report that no funds raised on short-term basis have been used for long term investment. No long-term funds have been used to finance short-term assets except permanent working capital.

(xviii)

The Company has not made any preferential allotment of shares to any parties during the year.

(xix)

The Company has not issued any debentures during the year.

(xx)

The Company has not raised any money by public issue during the year.

(xxi)

According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the year under audit.

For **K.S.AIYAR & CO.,**
Chartered Accountants
Firm Registration Number 100186W

Bangalore
30-May-2011

Sd/-
RAMAMOHAN R HEGDE
Partner
M.No.23206

TOYAMA ELECTRIC LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2011**

Particulars	Schedule 2011	2011 Rupees	2010 Rupees
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	A	29,971,698	29,971,698
Reserves and Surplus	B	57,944,098	57,933,789
Deferred tax liability		3,027,598	3,462,082
		92,943,394	91,367,569
APPLICATION OF FUNDS			
Fixed assets			
Gross block	C	83,882,528	81,031,101
Accumulated depreciation		49,491,191	47,109,787
Net block		34,391,337	33,921,314
Investments	D	2,915,000	3,300,000
Deferred tax asset		Nil	Nil
Current assets, loans and advances			
Inventories	E	114,824,736	13,082,591
Sundry Debtors	F	33,457,169	32,321,429
Cash & bank balances	G	10,285,645	18,535,181
Loans and advances	H	11,544,899	4,381,954
		70,112,449	68,321,155
Less : Current liabilities and provisions			
Sundry Creditors	I	8,903,716	6,026,825
Other liabilities	J	4,894,002	4,884,439
Provisions	K	677,674	3,263,636
		14,475,392	14,174,900
Net current assets/(liability)		55,637,057	54,146,255
		92,943,394	91,367,569

Significant accounting policies and notes on accounts S

The schedules referred to above are an integral part of the accounts.

As per our report attached

For K.S.Aiyar & Co
Chartered Accountants**For and on behalf of the Board**Sd/-
Ramamohan R Hegde
Partner
Membership Number:23206Sd/-
Mustafa Kamal Basha
Chairman & Managing DirectorSd/-
S. M. M. Azeez
DirectorPlace: Bangalore
Date: 30-May-2011

TOYAMA ELECTRIC LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Schedule 2011	2011 Rupees	2010 Rupees
INCOME			
Income from sales and services	L	91,249,273	79,037,128
Less: Excise duty		<u>12,659,297</u>	<u>7,901,076</u>
		78,589,976	71,136,052
Other Income	M	624,886	471,082
Increase/(Decrease) in value of stocks		<u>498,510</u>	<u>624,174</u>
		79,713,372	72,231,308
EXPENDITURE			
Traded Items, Raw Materials/Components consumed	O	32,267,573	26,570,749
Employees' cost	P	16,014,278	16,201,006
Manufacturing, Administration & Selling Expenses	Q	26,422,792	20,790,079
Interest and finance charges	R	72,837	62,164
Depreciation	C	2,381,404	2,405,529
Less: Transferred from Revaluation Reserve		<u>97,258</u>	<u>110,430</u>
		77,061,626	65,919,097
PROFIT / (LOSS) BEFORE TAXES		2,651,746	6,312,211
Provision for taxes			
Current tax		1,000,000	2,110,000
Deferred tax		(434,484)	(123,453)
Excess provision written back		<u>(21,337)</u>	<u>-</u>
		544,179	1,986,547
PROFIT/(LOSS) AFTER TAX		2,107,567	4,325,664
Balance brought forward from previous year		3,917,439	4,716,616
APPROPRIATIONS			
General reserve		500,000	2,500,000
Proposed dividend		-	2,243,550
Provision for dividend tax including prior years		<u>-</u>	<u>381,291</u>
Balance carried to balance sheet		5,525,006	3,917,439
EPS (basic & diluted)		0.70	1.45

Significant accounting policies and notes on accounts S
The schedules referred to above are an integral part of the accounts.

As per our report attached

For K.S.Aiyar & Co
Chartered Accountants

For and on behalf of the Board

Sd/-
Ramamohan R Hegde
Partner
Membership Number:23206
Place: Bangalore
Date: 30-May-2011

Sd/-
Mustafa Kamal Basha
Chairman & Managing Director

Sd/-
S. M. M. Azeez
Director

TOYAMA ELECTRIC LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Schedule 2011	2011 Rupees	2010 Rupees
A SHARE CAPITAL			
Authorised :			
30,00,000 equity shares of Rs.10 each.		30,000,000	30,000,000
Issued, subscribed and paid up:			
29,91,400 equity shares of Rs.10 each, fully paid up (includes 1285260 Shares of Rs.10/- each allotted as fully paid bonus shares out of free reserves)		29,914,000	29,914,000
Add: Amount received on 8600 Forfeited Equity Shares		57,698	57,698
		29,971,698	29,971,698
B RESERVES AND SURPLUS			
Securities premium account		23,953,346	23,953,346
General reserve	28,119,886		25,619,886
Add: From Profit & Loss Account	500,000	28,119,886	2,500,000
Revaluation reserve	1,943,118		2,053,548
Less: To Profit & Loss Account-Depreciation	97,258	1,845,860	110,430
Profit and loss account		5,525,006	3,917,439
		59,944,098	57,933,789
C FIXED ASSEST			

	DESCRIPTION	COST OR VALUATION				DEPRECIATION				NET VALUE	
		AS ON 01/04/2010	ADDITIONS	DELETIONS	AS ON 31/03/2011	UP TO 01/04/2010	FOR THE YEAR	REDUCTIONS	UP TO 31/03/2011	AS ON 31/03/2011	AS ON 31/03/2010
1	Free Hold Land	1,916,326	5,812,184	-	7,728,510	-	-	-	-	7,728,510	1,916,326
2	Building- Factory	9,114,706	-	-	9,114,706	7,600,411	151,430	-	7,751,841	1,362,865	1,514,295
3	Building-Other	13,087,250	-	5,812,184	7,275,066	-	-	-	-	7,275,066	13,087,250
4	Plant & Machinery	38,510,435	1,491,583	-	40,002,018	24,324,624	1,427,635	-	25,752,259	14,249,759	14,185,811
5	Tools & Dies	5,307,169	-	-	5,307,169	5,003,472	34,348	-	5,037,820	269,349	303,697
6	Furniture & Fixtures	2,713,834	-	-	2,713,834	2,241,789	85,440	-	2,327,229	386,605	472,045
7	Office Equipments	1,717,539	-	-	1,717,539	896,589	114,194	-	1,010,783	706,756	820,950
8	Vehicles	4,979,198	1,285,734	-	6,264,932	3,567,668	462,116	-	4,029,784	2,235,148	1,411,530
9	Computers	2,954,338	74,110	-	3,028,448	2,780,623	91,963	-	2,872,586	155,862	173,715
10	Software	730,306	-	-	730,306	694,611	14,278	-	708,889	21,417	35,695
	TOTAL	81,031,101	8,663,611	5,812,184	83,882,528	47,109,787	2,381,404	0	49,491,191	34,391,337	33,921,314
	Previous Year	80,615,609	853,337	437,845	81,031,101	45,047,157	2,405,529	342,899	47,109,787	33,921,314	
Break up of Depreciation:											
						1. On Regular Cost				2,284,146	
						2. On Revalued Cost				97,258	
						Total				2,381,404	

D INVESTMENTS

Long Term Investments Non Trade (Quoted)

Sundaram BNP Paribas Select Midcap - 800,000
 Nil (37083.907 units at Rs 21.5727 each)
 Market Value: Nil (Rs 622,379)

SBI -Magnum Sector Funds Umbrella Conta- Growth - 2,500,000
 Nil(44060.627 Units of Rs 56.74 each)
 Market Value: Nil (Rs 2,455,939)

Future Venture (India) Ltd 450,000 -

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Schedule 2011	2011 Rupees	2010 Rupees
25000 Shares (Nil) of Rs 18 (Nil) Market Value: Rs 450,000 (Nil)			
DSP Black Rock Equity Fund- Regular Plan- Growth 29517.68 Units (Nil) of Rs 17.28 (Nil) Market Value: Rs 489,137.49 (Nil)		510,000	-
Fedility Equity Fund- Growth 11506.223 Units (Nil) of Rs 36.94 (Nil) Market Value: Rs 418,907.06 (Nil)		425,000	-
IDFC Premier Equity Fund- Plan A Growth 14,880.98 Units (Nil) of Rs 34.27 (Nil) Market Value: Rs 465,724.17 (Nil)		510,000	-
Reliance Growth Fund- Retail Plan-Growth Plan 1,016.01 Units (Nil) of Rs 501.96 (Nil) Market Value: Rs 466,725.38 (Nil)		510,000	-
Reliance Regular Saving - Equity Plan-Growth Option 15,473.99 Units (Nil) of Rs 32.95 (Nil) Market Value: Rs 468,942.48 (Nil)		510,000	-
		<u>2,915,000</u>	<u>3,300,000</u>
E INVENTORIES			
Raw materials		4,423,540	3,505,953
Stores and components		477,900	387,813
Semi finished goods		2,589,755	845,719
Finished goods		7,333,541	8,343,106
		<u>14,824,736</u>	<u>13,082,591</u>
F Sundry Debtors			
Exceeding six months		10,218,083	11,138,795
Others		23,239,086	21,182,634
		<u>33,457,169</u>	<u>32,321,429</u>
G CASH & BANK BALANCES			
Cash on Hand		33,682	15,683
With scheduled banks			
In current account		7,892,265	16,297,336
In margin account		2,357,463	2,219,927
In share application money refund		2,235	2,235
		<u>10,285,645</u>	<u>18,535,181</u>
H LOANS AND ADVANCES			
Advance recoverable in cash or kind or for value to be received		162,082	225,167
Advance towards purchase of property		8,000,000	-
Advance towards Purchase of Machinery		678,411	-
Prepaid expenses		189,712	205,745
For supply of goods and rendering of services		134,344	754,372
Loans and advances to employees		234,213	274,252
Rental deposits & other deposits		985,839	605,839
Deposit with Government Departments		516,713	521,855
Tax Payments net of Provision		643,585	1,794,724
		<u>11,544,899</u>	<u>4,381,954</u>

TOYAMA ELECTRIC LIMITED
SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Schedule 2011	2011 Rupees	2010 Rupees
I SUNDRY CREDITORS			
Due to micro & small enterprises		4,282,109	3,310,033
Others		<u>4,621,607</u>	<u>2,716,792</u>
		<u>8,903,716</u>	<u>6,026,825</u>
J OTHER LIABILITIES			
Salaries		876,080	918,129
Bonus and incentives		498,566	429,838
Withholding and other taxes payable		1,095,459	1,357,944
Due to directors		170,260	286,172
Advance from customers		579,929	69,786
Unclaimed Dividend		658,029	635,529
Expenses payable		<u>1,015,679</u>	<u>1,187,041</u>
		<u>4,894,002</u>	<u>4,884,439</u>
K PROVISIONS			
Employee benefits		677,674	638,795
Proposed dividend		-	2,243,550
Tax on dividend		-	381,291
		<u>677,674</u>	<u>3,263,636</u>
L INCOME FORM SALES AND SERVICES			
Finished goods		80,770,093	68,977,483
Traded goods		9,046,636	9,204,497
Labour charges		<u>1,432,544</u>	<u>855,148</u>
		<u>91,249,273</u>	<u>79,037,128</u>
M OTHER INCOME			
Exchange Gain (Net)		28,320	-
Profit on sale of fixed assets		-	11,531
Dividend income		-	185,420
Interest Income - Gross (TDS Rs 14,151 PY Rs 19,088)		141,499	186,045
Interest on Tax Refunds		203,520	-
Profit on sale of investments		85,688	-
Miscellaneous Income		<u>165,859</u>	<u>88,086</u>
		<u>624,886</u>	<u>471,082</u>
N INCREASE/(DECREASE) IN VALUE OF STOCKS			
Closing stock			
Finished goods		4,375,859	5,651,227
Semi finished goods		<u>2,589,755</u>	<u>845,719</u>
		<u>6,965,614</u>	<u>6,496,946</u>
Less: Opening stock			
Finished goods		5,651,227	4,293,059
Semi finished goods		<u>845,719</u>	<u>1,468,782</u>
		<u>468,668</u>	<u>735,105</u>
Adjustment for excise duty on stock		<u>29,842</u>	<u>(110,931)</u>
		<u>498,510</u>	<u>624,174</u>
O TRADED ITEMS, RAW MATERIALS/COMPONENTS CONSUMED			
Traded Items			
Opening Stock		2,691,879	1,185,483
Add:Purchases		7,925,494	7,889,928
Less:Closing Stock		<u>2,957,682</u>	<u>2,691,879</u>
	A	<u>7,659,691</u>	<u>6,383,532</u>
Raw Materials/ Components Consumed			
Opening Stock		3,505,953	5,178,983

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Schedule 2011	2011 Rupees	2010 Rupees
Add:Purchases			
Raw Materials and Components		<u>28,223,797</u>	<u>20,476,988</u>
		31,729,750	25,655,971
Less:Excise Cenvat Received		<u>2,781,995</u>	<u>1,894,854</u>
		28,947,755	23,761,117
Less:Closing Stock		4,423,540	3,505,953
		24,524,215	20,255,164
Adjustment for excise duty on stock		<u>83,667</u>	<u>(67,947)</u>
	B	24,607,882	20,187,217
Total	A+B	<u>32,267,573</u>	<u>26,570,749</u>
P EMPLOYEES' COST			
Salaries, wages and bonus		14,677,163	14,522,832
Contribution to provident and other funds		944,495	1,400,375
Staff welfare		<u>392,620</u>	<u>277,799</u>
		16,014,278	16,201,006
Q MANUFACTURING, ADMINISTRATION & SELLING EXPENSES			
Consumption of stores & spares		3,408,400	1,590,305
Power and fuel		2,143,068	1,891,736
Packing materials		2,034,538	1,232,177
Rent		397,832	451,864
Repairs & maintenance - machinery/electricals		385,540	409,947
Repairs & maintenance - others		469,571	258,988
Job work		2,675,082	1,586,016
Transportation		1,934,240	1,474,744
Rates & taxes		127,257	713,396
Purchase - Advertisement& Catalouges		372,957	268,701
Directors' sitting fees		54,000	60,000
Business promotion expenses		578,258	263,652
Postage, telephone & telegram		1,336,067	1,170,722
Printing & Stationery		243,812	220,698
Professional charges		556,345	655,503
Travelling & conveyance		3,724,287	2,429,589
Vehicle maintenance		774,872	585,426
Bad debts written off		81,038	55,994
Commission, Discounts&Damages		1,493,524	2,011,534
Director's remuneration		3,000,000	3,000,000
Miscellaneous expenses		<u>632,104</u>	<u>459,087</u>
		26,422,792	20,790,079
R Interest and finance charges			
Bank charges		<u>72,837</u>	<u>62,164</u>
		72,837	62,164

TOYAMA ELECTRIC LIMITED S. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT

A. SIGNIFICANT ACCOUNTING POLICIES

1. The Financial statements are prepared under the historical cost convention & comply in all material aspects with the applicable accounting principles in India, accounting standards notified under subsection (3C) of 211 of the Companies Act, 1956 & relevant provisions of the Companies Act, 1956.
2. Fixed Assets : Expenditure which are of capital nature are capitalized at cost, which comprises of purchase price (net of rebates and discounts) import duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.
3. Depreciation: Depreciation is provided on written down value method on all assets except machinery & tools for new projects which are being depreciated on straight line method at the rates prescribed under schedule XIV. The depreciation on revalued cost of the assets are being reduced from the revaluation reserve.
4. Foreign Currency transactions: Foreign Currency transactions on revenue accounts are translated at the rates prevailing on the day when the expenses are incurred/ income earned. Fluctuations on account of exchange rate differences are being debited/credited to revenue account.
5. Revenue Recognition: Revenue is recognised at the point of dispatch of materials to customers from stock points. Other income is accounted on accrual basis.
6. Inventories are valued at lower of cost or net realizable value after providing obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.
7. Investments: Long term Investments are valued at purchase cost. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary in the opinion of the management.
8. Employee Benefits:
 - a) Defined Contribution Plan
Companies contribution paid/payable during the year to the Employee Provident fund ,ESIC, Labour Welfare fund are recognized in the Profit and Loss Account
 - b) Defined Benefit Plan
Gratuity: In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the company. Liability with regards to Gratuity Plan is accrued based on actuarial valuation at the balance sheet date, carried out by the Life Insurance Corporation Of India. Actuarial gain or loss is recognised immediately in the statement of profit and loss as income or expense. The company has an employees' gratuity fund managed by the Life Insurance Corporation of India ("LIC").
- c) Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
9. Taxes on Income:
Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being difference between taxable income and accounting income that originate in one period and are capable of reversal in one or subsequent periods.
10. Impairment of Assets: An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment of loss is chargeable to the profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in estimate of recoverable amount.
11. Earnings per Share:
Basic/diluted earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.
12. Financial and Derivative Instruments
During the current year company has not entered into derivative/forward contracts.
13. Provisions:
A provision is recognized when an enterprise has a present obligation as a result of past event and 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 its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.
14. Leases:
Lease arrangements where the risk and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Leases rentals under operating leases are recognised in profit and loss accounts.

B : NOTES ON ACCOUNT

1. Contingent Liabilities:

- a) Estimated amount of contracts remaining to be executed on Capital account and not provided for Rs 35,94,216 (Nil)
 b) Contingent Liability not provided for: Bank Guarantee Rs Nil (15.61 lakhs).

2. Balances in Sundry debtors, Loans and advances, Current liabilities are subject to confirmation by the parties.

3. Deferred Taxation : The net Deferred Tax Asset has been arrived as follows:

	2011 Rs.	2010 Rs.
Components of Deferred Tax (Asset) / Liabilities arising from:		
A) Difference between carrying amount of fixed assets in the financial statements and the Income Tax return	(34,41,431)	37,92,290
B) Expenses allowable for tax purposes when paid	4,13,833	(3,30,208)
Net Deferred Tax Liability	(30,27,598)	34,62,082

Accounted as:

Deferred tax (Asset)/Liability for the year	(4,34,484)	(1,23,453)
	(4,34,484)	(1,23,453)

The tax impact for the above has been arrived at by applying a tax rate prevailing under the Income Tax Act 1961

4. Auditors' remuneration

for Audit fee	Rs. 1,20,000	(Rs.90,000)
for Tax audit	Rs. 40,000	(Rs.35,000)
for Certification	Rs. 10,000	(Rs.10,000)
for Reimbursement of Expenses	Rs. 8,164	(Rs. 22,625)
for Limited Review	Rs. 30,000	(Rs.25,000)

5. Related Party Disclosure:

A. Key Management Personnel & their relative

- 1) Mr. S M M Azeez - Director
 Mr. Mustafa Kamal - Son
 2) Mr. Mustafa Kamal - Chairman and Managing Director
 Mrs. Farah Kamal - Wife

B. Other Companies and Firms

- 1) Toyama Controls & Systems Private Limited - Associate Company

C. Transaction with related parties-

Directors' remuneration:	Mr. S M M Azeez	
Mr. Mustafa Kamal	Rs. 15,00,000	Rs. 15,00,000
Salaries	(Rs. 15,00,000)	(Rs.15,00,000)

D. Balance Payable to related parties-

- Mr.S M M Azeez -Rs 92,301 /-
 Mr.Mustafa Kamal -Rs 77,959 /-

6. Sales & Stock

A) Sales		
Finished Goods	Qty in Nos.	Value in Rs.
Transformers	936364 (766492)	Rs. 86,05,978 (98,15,105)
Switches & Accessories	1567623 (1252227)	Rs. 6,07,15,628 (4,79,56,327)
Mould & Tools and Components	155698 (169272)	Rs 1,14,48,487 (1,12,06,051)
Traded Items		
MCB	201230 (110471)	Rs 90,46,636 (92,04,497)

TOYAMA ELECTRIC LIMITED

B) Opening Stock of Goods produced		
Item Description		
Hybrid Transformers	172100 (355657)	Rs. 4,74,824 (20,47,595)
Switches & Accessories	234335 (76543)	Rs. 51,76,403 (22,45,464)
C) Opening Stock Of Traded Item		
MCB & Metal Box	35506 (6979)	Rs. 26,91,879 (11,85,483)
D) Closing Stock of goods produced		
Hybrid Transformers	25757 (172100)	Rs. 6,00,727 (4,74,824)
Switches & Accessories	206844 (234335)	Rs. 37,75,132 (51,76,403)
E) Closing Stock Of Traded Item		
MCB & Metal Box	35224 (35506)	Rs. 29,57,682 (26,91,879)

7. Capacity Utilisation:	Qty in Nos.	
Licensed Capacity		
Transformers	20 Lakhs	(20 Lakhs)
Switches	20 Lakhs	(20 Lakhs)
Installed Capacity		
Transformers	20 Lakhs	(20 Lakhs)
Switches	20 Lakhs	(20 Lakhs)

8. ACTUAL PRODUCTION:		
Transformers	790021 (582935)	
Switches & Accessories	1540132 (1410019)	
Mould & Tools and Components	155698 (169272)	

9. Consumption of Raw Materials & Components (Excluding Traded Items)		
a) Value of consumption of imported and indigenous raw materials/components		
	Rs.	%
Indigenous	2,21,17,454 (1,90,75,064)	89.88 (94.49)
Imported	24,90,428 (11,12,153)	10.12 (5.51)

b) Since numerous small items constitute the consumption of raw materials and components, each less than 10% of the total value of consumption, the quantitative details are not furnished.

10. Value of imports of Raw material on CIF basis	Rs. 22,67,981 (Rs.16,00,490)
Value of imports of Capital Goods on CIF basis	Rs. 10,26,700 (Nil)

11. Number of Non-Resident shareholders 240 (253)

12. Earnings in Foreign Currency on accrual basis
FOB value of Exports Rs 3,44,641 (49,606).

13. Expenditure in foreign currency towards foreign travel Rs Nil (Nil). Foreign exchange outgo on account of dividend - Rs 21,150/- (Rs. Nil)

14. Earning Per Share		
	2011	2010
Net Profit Available for Equity Shares	Rs. 21,07,567	Rs 43,25,664
Weighted average number of Shares	29,91,400	29,91,400
Basic and Diluted Earning Per Share (Rs)	0.70	1.45
Face value per Share	Rs 10	Rs 10

15. There are no delays in payment to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006.

The above information and that given in schedule I 'Sundry Creditors' regarding Micro and small Enterprises as been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

16. Employee Benefits

As per Accounting Standard 15 "Employee Benefit ", the disclosures of Employee benefit as defined in Accounting Standard are given below:

Details of benefit cost and obligation under defined benefit plans - As per actuarial valuations as on March 31, 2011	2010	2011
	Gratuity	Gratuity
I Components of employer expense		
1 Current Service Cost	47,234	80,888
2 Interest Cost	49,511	93,780
3 Expected return on plan assets	(48,105)	(50,615)
4 Curtailment cost/(credit)	-	-
5 Settlement cost/(credit)	-	-
6 Past Service Cost	-	-
7 Actuarial Losses/(Gains)	5,46,814	(4,347)
8 Total expense recognised in the Statement of Profit and Loss	5,95,454	1,19,706
II Actual Contribution and Benefits Payments for period ended March 31, 2011		
1 Actual benefit payments	(90,187))	(91,889)
2 Actual Contributions	47,196	80,827
III Net asset/(liability) recognised in balance sheet as at March 31, 2011		
1 Present value of Defined Benefit Obligation (DBO)	11,72,254	12,50,686
2 Fair value of plan assets	5,33,459	5,73,012
3 Funded Status [(Surplus)/Deficit]	-	-
4 Unrecognised Past Service Costs	-	-
5 Net (Asset)/Liability recognized in the balance sheet	6,38,795	6,77,674
IV Change in Defined Benefit Obligations during the year ended March 31, 2011		
1 Present Value of DBO at beginning of period	6,18,882	11,72,254
2 Current Service Cost	47,234	80,888
3 Interest Cost	49,511	93,780
4 Curtailment cost/(credit)	-	-
5 Settlement cost/(credit)	-	-
6 Planned amendments	-	-
7 Acquisitions	-	-
8 Actuarial Losses/(Gains)	5,46,814	(4,347)
9 Benefits paid	(90,187)	(91,889)
10 Present Value of DBO at end of period	11,72,254	12,50,686
V Change in Fair Value of Assets during the year ended March 31, 2011		
1 Plan assets at beginning of period	5,28,345	5,33,459
2 Acquisition Adjustment	-	-
3 Actual Return on plan assets	48,105	50,615
4 Actual Company Contributions	47,196	80,827
5 Benefits Paid	(90,187)	(91,889)
6 Plan assets at end of period	533,459	573,012

TOYAMA ELECTRIC LIMITED

VI Actuarial Assumptions for Gratuity	31.03.2010	31.03.2011
1 Discount Rate	8.00%	8.00%
2 Salary escalation	7.00%	7.00%
	LIC Mortality (1994-96) Table	
3 Mortality		
4 Withdrawal Rates (Depending on age)	1% to 3%	1% to 3%

17. Leasing Arrangements:

Operating Leases

i) The Company has taken various office premises under operating lease. These are generally not non-cancelable and range between 11 months and 3 years and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits under certain agreements.

ii) Lease payments are recognised in the Profit and Loss account under " Rent" in schedule Q

iii) Future Minimum Lease Payments Expected to be paid under Non- Cancelable lease Rs Nil.

There are no contingent rents

18. Figures in brackets relate to previous year.

19. Previous year's figures have been regrouped & readjusted wherever necessary to confirm to current year's classification

For K. S. AIYAR & CO.

CHARTERED ACCOUNTANTS
Firm Registration Number 100186W

For and on behalf of the Board

Sd/-
RAMAMOHAN R HEGDE
PARTNER

Sd/-
MUSTAFA KAMAL BASHA
CHAIRMAN & MANAGING DIRECTOR

Sd/-
S.M.M. AZEEZ
DIRECTOR

BANGALORE
30th May, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

Registration No.	L85110KA1985PLC007019
State Code	0
Balance Sheet Date	31.03.2011

II CAPITAL RAISED DURING THE YEAR

Amount in Rs. Thousands

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities	92,943.39
Total Assets	92,943.39

SOURCES OF FUNDS

Paid up Capital	29,971.70
Reserves & Surplus	59,944.10
Secured Loans	Nil
Unsecured Loans	Nil
Deferred Tax Liability	3,027.60

APPLICATION OF FUNDS

Net Fixed Assets	34,391.34
Investments	2,915.00
Net Current Assets	55,637.06
Misc. Expenditure	Nil
Accumulated Losses	Nil

IV PERFORMANCE OF THE COMPANY

Turnover (including other incomes)	79,713.37
Total Expenditure	77,061.63
Profit before tax	2,651.75
Profit after tax	2,107.57
Earnings Per Share Rs.	0.70
Dividend %	Nil

V GENERIC NAME OF TWO PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code No. (ITC CODE)	Production Description
85365020	Switches
85045090	Transformers

For and on behalf of the Board

BANGALORE
30-May-2011

Mustafa Kamal Basha
Chairman & Managing Director

S.M.M.Azeez
Director

TOYAMA ELECTRIC LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011**

Particulars	31ST MARCH 2011	31ST MARCH 2010
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	2,651,746	6,312,211
Adjustments for:		
Depreciation	2,284,146	2,295,099
(Profit)/loss on sale of Assets	-	(11,531)
(Profit)/loss on sale of Investments	(85,688)	-
Interest & Finance Charges	72,837	62,164
Dividend Income	-	2,160,312
Operating Profit before Working Capital Changes	4,923,041	8,472,523
Adjustments for:		
Decrease/(Increase) in Receivables	(9,449,829)	2,692,171
Decrease/(Increase) in Inventories	(1,742,145)	(743,853)
Increase/(Decrease) in Payables	2,925,333	594,702
Cash generated from operations	(3,343,600)	11,015,543
Finance Charges	(72,837)	(62,164)
Income Tax paid	172,482	(2,355,186)
Net Cash flow from Operating activities (A)	(3,243,955)	8,598,193
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,851,427)	(853,337)
Mutual Fund	470,687	(2,500,000)
Sale of Fixed Assets	-	106,477
Dividend Income	-	185,420
Net Cash used in Investing activities (B)	(2,380,740)	(3,061,440)
C CASH FLOW FROM FINANCING ACTIVITIES		
Issue of equity shares	-	-
Dividend Paid	(2,243,550)	-
Dividend Tax Paid	(381,291)	-
Net Cash used in financing activities ('C)	(2,624,841)	-
Net increase in cash & Cash Equivalents (A) + (B) + ('C)	(8,249,536)	5,536,753
Cash or Cash Equivalent as at 31.03.2009	18,535,181	12,998,428
Cash or Cash Equivalent as at 31.03.2010	10,285,645	18,535,181

NOTE: 1.Cash flow statement has been prepared following the indirect method as per Accounting Standard 3 (Revised).
2.Previous year figures have been regrouped / reclassified.

For and on behalf of Board

BANGALORE
30-May-2011

Sd/-
Mustafa Kamal Basha
Chairman & Managing Director

Sd/-
S.M.M.Azeez
Director

To
The Board of Directors
Toyama Electric Ltd, Bangalore

AUDITORS' CERTIFICATE

We have examined the above cash flow statement of Toyama Electric Limited for the year ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirements of the listing agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance sheet of the Company covered by our report dated 30th May, 2011 to the Members of the Company.

BANGALORE
30-May-2011

For K S Aiyar & Co.
Chartered Accountants
Firm Registration Number 100186W
Sd/- : **Ramamohan R Hegde**
Partner, Mem No 23206

TOYAMA ELECTRIC LIMITED

Regd Office : 36 (A) KIADB Industrial Estate
Hoskote - 562 114, Bangalore - District

PROXY FORM

Reg. Folio No.

No. of Shares held

* DP Id No.

* Client Id No.

I/ We of
..... in the district of
being a member / members of the above named Company hereby appoint
..... of in the district of
..... or failing him of
..... in the district of as my/our proxy to
vote for me/us and on my /our behalf at the Twenty Sixth Annual General Meeting of the Company to be held at the
Conference Hall Ramanna Maharshree Heritage Centre, Post Office Road, Sanjaynagar, Bangalore - 94 On **Wednesdat 21st September, 2011** at 11.00 a.m. and at any adjournment thereof.

Signed this day of 2010

Signature

Re. 1.00
Revenue
Stamp

- Notes :
- 1) This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
 - 2) The proxy need not be a member of the Company.

TOYAMA ELECTRIC LIMITED

Regd Office : 36 (A) KIADB Industrial Estate
Hoskote - 562 114, Bangalore-District.

ATTENDANCE SLIP

I certify that I am the registered Shareholder / Proxy for the registered shareholder of the Company.

NAME & ADDRESS OF THE SHAREHOLDERS

Folio No.

No. of Shares held

* DP Id No.

* Client Id No.

I hereby record my presence at the Twenty Sixth Annual General Meeting of M/s. Toyama Electric Limited to be held at
Conference Hall Ramanna Maharshree Heritage Centre, Post Office Road, Sanjaynagar, Bangalore - 94 On **Wednesdat 21st September, 2011** at 11.00 a.m. and at any adjournment thereof.

.....
Name of Proxy (if any)

.....
Signature of Shareholder / Proxy

* Applicable to investors holding shares in electronic form

Note : Please fill in this attendance slip and hand it over at the ENTRANCE OF THE VENUE.