



# Annual Report 2011-2012

AN ISO 9001-2000 COMPANY

## NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of the Toyama Electric limited will be held on Tuesday the 18<sup>th</sup> September, 2012 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:

- To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2012 the profit and loss for the year ended on that date together with the reports of the Directors thereon and Auditors thereto.
- To appoint a Director in the place of Smt. Farha Kamal, who retires by rotation and being eligible, offers herself for re-appointment.
- To appoint a Director in place of Sri. Akmal Hassan Razvi, who retires by rotation and being eligible offers himself for re-appointment.
- To appoint Auditors and fix their remuneration.

- For Toyama Electric Limited

Place: Bangalore      Mustafa Kamal Basha  
Date: 28<sup>th</sup> May, 2012      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.

- The Register of members and the Share transfer Books of the Company will remain closed beginning 18<sup>th</sup> September, 2012 and ending 18<sup>th</sup> September, 2012. (One day only)
- 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 27<sup>th</sup> Annual Report together with the Audited Accounts for the financial year ended 31st March, 2012.

### 1. Financial results and Appropriations: (In Lakhs)

PARTICULARS	2011-12	2010-11
Gross Income	725.17	797.13
Profit before Tax	-13.42	26.51
Provision for Tax		
Current	0.00	10.00
Deferred	-4.40	-4.34
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	0.21
Profit after Tax	21.08	21.08
Surplus brought forward	39.17	39.17
Profit available for Appropriation	60.24	60.24
Transfer to General Reserve	0.00	5.00
Dividend	0.00	0.00
Dividend Tax	0.00	0.00
Surplus carried forward	0.00	55.25

Due to steep escalation in input costs of metals especially copper and other overheads there has been a loss of Rs.13.42 lakhs before tax.

- Dividend:**  
As there is no profits available for distribution, your directors do not recommend payment of dividend for the year 2011-2012.
- Fixed Deposits:**  
The Company has neither invited nor accepted any fixed Deposits from the public during the financial year under review.
- Directors:**  
Smt. Farha Kamal and Sri Akmal Hassan Razvi Directors of the Company retire by rotation and being eligible offer themselves for reappointment.
- Directors Responsibility Statement:**  
In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors hereby report:
  - That in the preparation of Annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures;
  - 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 31<sup>st</sup> March 2012 and of Profit and Loss Account for the year ended as on that date.
  - 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;

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

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

The requisite information with regard to Conservation 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<sup>st</sup> March, 2012 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. Acknowledgements:

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: 28<sup>th</sup> May, 2012

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<sup>ST</sup> MARCH, 2012 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.f.i) and ii) of the Auditors Report on actuarial valuation of Gratuity liability and confirmation of balances from debtors.

i) The Company has an employee's gratuity fund managed by the Life Insurance Corporation of India and the valuation is based on the report of the life Insurance Corporation of India submitted for the period ended 31<sup>st</sup> March, 2012.

ii) The company has sent letter of confirmation of Balance to all the debtors as on 31.03.2012 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 For and behalf of the Board  
Date: 28<sup>th</sup> May, 2012 Mustafa Kamal Basha  
Chairman & Managing Director

**Annexure "A" to Director's Report**

**CONSERVATION OF ENERGY:**

- 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.
- Additional investments and proposals if any, being implemented for reduction of consumption of Energy. Nil
- Impact of measures at (a) and (b) above for reduction of Energy consumption and consequent impact on the cost of production of goods.
- 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:

- 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.

B. Technology Absorption, Adaptation and Innovation:  
Efforts in brief, made towards technology absorption, adaptation and innovation.

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

(ii) & (ii) based on our continuous efforts made towards technology absorption and innovation, the Company could achieve smooth plant operation and better efficiency norms during 2011-2012 in 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:

- Technology imported.
- Year of Import: The Technology used is indigenous
- Has technology been fully absorbed: for manufacturing
- 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.112725.00.  
Foreign Exchange outgo: Rs.197401.00

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	4	No	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 Section 292A of the Companies Act, 1956, the Committee reviews reports of Internal Audit department, meets Statutory Auditors periodically and discusses their

findings, 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 was the Chairman of the Audit Committee till October, 2011 and thereafter Dr. Mohamed Taha Mathen was elected as Chairman of the Audit Committee. Their attendance at the Audit Committee meetings during the financial year 2011-2012 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	4
2.	Smt. Farah Kamal	Member	5	5
3.	Sri Akmal Hasan Razvi	Member	5	5
4.	Dr Mohd Taha Mathen	Member	5	4

**4. Shareholder's Investor's Grievance Committee:**

**(i) Terms of reference:**

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

- o Approving the transfer and transmission of securities.
- o Issuance of Duplicate share Certificates
- o Redressing grievances received from the investors
- o 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 2011-2012 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	4
3.	Smt. Farah Kamal	Member	5	5
4.	Dr Mohd Taha Mathen	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 3975 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 2011-2012**

**(a) Executive Directors**

Name of the Director	Designation	Salary	Perquisites
Sri Mustafa Kamal Basha	Chairman & Managing Director	Rs 1500000.00	Rs.0.00
Sri. S M M Azeez	Director(Technical)	Rs.1500000.00	Rs0.00

**(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:

28.04.2011	30.05.2011	28.07.2011	28.10.2011	30.01.2012
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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:**

Smt.Farha Kamal and Sri. Akmal Hasan Razvi 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 Director	Appointment or Re-appointment	Brief Resume	Other Directorships
1.	Sri Akmal Hasan Razvi	Re-appointment	He is an High Court Advocate having vast Managerial experience	Nil
2.	Smt.Farha Kamal	Re-appointment	She is a commerce graduate with good accounting and 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	10 <sup>th</sup> September 2009	Toyana Electric Limited 36(A) KIADB Industrial Area Hoskote-562114
2.	Annual General Meeting	22 <sup>nd</sup> September 2010	Conference Hall Ramanna Maharashtra Heritage Centre, Post Office Road,Sanjayanagar, Bangalore- 560094
3.	Annual General Meeting	21 <sup>st</sup> September 2011	Toyana Electric Limited 36(A) KIADB Industrial Area Hoskote-562114

findings, 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 was the Chairman of the Audit Committee till October, 2011 and thereafter Dr. Mohamed Taha Matheen was elected as Chairman of the Audit Committee. Their attendance at the Audit Committee meetings during the financial year 2011-2012 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	4
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:

- o Approving the transfer and transmission of securities.
- o Issuance of Duplicate share Certificates
- o Redressing grievances received from the investors
- o 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 2011-2012 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	4
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

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

**I. 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 comprised 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. Mr.A.S.Lakshmanan independent and non executive directors resigned during the course of the year under review.

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.	4	No	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 Section 292A of the Companies Act, 1956, the Committee reviews reports of Internal Audit department, meets Statutory Auditors periodically and discusses their

**Special Resolutions transacted at the last three Annual General Meetings.**

No Special Resolutions were passed during the last three Annual General Meetings.

**10. Disclosures :**

- There are no materially significant transactions with related parties Viz., Promoters, directors or the Management, their subsidiaries or relatives conflicting the Company's interests.
- 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 Sanjeevani (Local Kannada Daily).

**13. General Shareholder's Information:**

- Annual General Meeting:**  
Date : 18<sup>th</sup> September, 2012  
Time & Venue : 11.00 A.M at Toyama Electric Limited,  
36(A), KIADB Industrial Area,  
Hoskote-562114  
Financial year: 01.04.2011 to 31.03.2012  
Date of the Book - Closure : 18.09.2012 to 18.09.2012 (one day only)  
Listing of Stock Exchange : BSE Limited  
Company's Code/symbol/ Series in : i)BSE17407/TOYAMAELECTRIC  
Stock Exchanges : (BSE INDONEXT)

**(ii) Tentative Financial Calendar: (2012-2013)**

- Annual General Meeting : 2<sup>nd</sup> Week of September 2013.
- Results for the quarter ending 30th June, 2012 : Last week of July 2012
- Results for the quarter ending 30th September : Last week of October 2012
- Results for the quarter ending 31st December, 2012 : Last week of January, 2013
- Results for the quarter ending 31st March, 2013 : Last week of May 2013

**Distribution of Shareholding as on 31.03.2012**

Share holding of Nominal Value of Rs.	Share Holders		No of shares	
	Number (2)	% of Total (3)	Amount (4)	% of Total (5)
Up to 5,000	3723	93.66	5027620	16.76
5,001-10,000	137	3.45	1123010	3.74
10,001-20,000	45	1.13	700050	2.33
20,001-30,000	20	0.50	503650	1.68
30,001-40,000	9	0.23	321700	1.07
40,001-50,000	6	0.15	280300	0.93
50001-1,00,000	16	0.40	1267990	4.23
1,00,001 and above	19	0.48	20775680	69.25
<b>Total</b>	<b>3975</b>	<b>100.00</b>	<b>30000000</b>	<b>100.00</b>

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

The Company has about 3975 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 2011-2012**

**(a) Executive Directors**

Name of the Director	Designation	Salary	Perquisites
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- There are no materially significant transactions with related parties viz., Promoters, directors or the Management, their subsidiaries or relatives conflicting the Company's interests.
- 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:**

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**12. Means of Communication:**

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- Tentative Financial Calendar: (2012-2013)  
a) Annual General Meeting : 2<sup>nd</sup> Week of September 2013.  
b) Results for the quarter ending 30th June, 2012 : Last week of July 2012  
c) Results for the quarter ending 30th September : Last week of October 2012  
d) Results for the quarter ending 31st December, 2012 : Last week of January, 2013  
e) Results for the quarter ending 31st March, 2013 : Last week of May 2013

**Distribution of Shareholding as on 31.03.2012**

Share holding of Nominal Value of Rs.	Share Holders		No of shares	
	Number (2)	% of Total (3)	Amount (4)	% of Total (5)
Up to 5,000	3723	93.66	5027620	16.76
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30,001-40,000	9	0.23	321700	1.07
40,001-50,000	6	0.15	280300	0.93
50001-1,00,000	16	0.40	1267990	4.23
1,00,001 and above	19	0.48	20775680	69.25
Total	3975	100.00	30000000	100.00

**(ii) Details of share holding as on 31.03.2012**

Sl. No	Category	No of Shares held	Percentage of Holding
1.	Promoters	1674060	55.80
2.	Foreign institutions, Banks & Mutual Funds	Nil	Nil
3.	Private Corporate Bodies	124991	4.17
4.	NRIs, Foreign Nationals, OCBs & FIIs	68068	2.27
5.	Indian Public and NRIs	1132881	37.76
	<b>TOTAL</b>	<b>3000000</b>	<b>100.00</b>

**(iv) Market Price Data:**

High/Low of market price of the Company's equity shares traded on the BSE during the Financial year 2011-2012 was as follows:

Month	BSE Limited	
	High	Low
April 2011	21.50	16.05
May 2011	19.70	14.30
June 2011	15.59	13.80
July 2011	16.50	14.00
August 2011	16.45	12.90
September 2011	14.50	12.50
October 2011	14.38	11.10
November 2011	14.00	12.15
December 2011	12.07	9.86
January 2012	13.01	10.71
February 2012	14.69	12.82
March 2012	13.64	11.91

**(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 33.33% of Company's shares have been dematerialized as on 31.03.2012.

**(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

**(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: <a href="mailto:alfint@vsnl.com">alfint@vsnl.com</a>
Any query on Annual Report	Mr. Mustafa Kamal Basha Managing Director M/s Toyama Electric Limited #36(A), KIADB Industrial Area, Hoskote, Bangalore-562114 Tel: 080-7971457/7971466/7971607 Fax: 080-7971749 E-Mail: <a href="mailto:toyama@vsnl.com">toyama@vsnl.com</a> <a href="http://www.toyamaindia.com">www.toyamaindia.com</a>

**(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](mailto:toyama@vsnl.com)  
[www.toyamaindia.com](http://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)	
	2011-2012	2010-2011	2011-2012	2010-2011
Writing Accessories & Electro Mechanical Devices	2485328	2659685	69410911	80770093

**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 avenues 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	2011-2012	2010-2011
Sales (Rs in crores)	7.25	7.97
Profit before Tax (Rs in lakhs)	-13.42	26.51

Despite stiff competition and sluggish market conditions your company could achieve a turnover of Rs.7.25 crores. However, due to increased input costs and overheads there is a marginal loss of Rs.13.42 lakhs

**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<sup>st</sup> March, 2012 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 financial 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

S/d

Mustafa Kamal Basha

Chairman & Managing Director



## AUDITORS' 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 31<sup>st</sup> March 2012 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.

28-May-2012

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 31<sup>st</sup> March 2012 and also the Statement of Profit and Loss 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:

- 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.
- 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.
- The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account.
- In our opinion, the Statement of Profit and Loss 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 except Accounting Standard-15, Employee benefit, (Revised 2005) where in the company has not done actuarial valuation of the liability towards employee gratuity but provided based on the management estimate on the basis of a report of the Life Insurance Corporation of India (Amount not ascertainable).

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 31<sup>st</sup> March 2012 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 -

- Confirmation of balances to be received from few parties as referred to in note no 27 (Impact on Company's profit/reserves not ascertainable)
  - Non valuation Actuarial liability towards employee gratuity as required under Accounting Standard-15, Employee benefit, (Revised 2005) as referred in Para 1 d above (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.

- In the case of Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March 2012 and
- In the case of Statement of Profit and Loss of the Loss of the Company for the year ended on that date.
- 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  
28-May-2012

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 31<sup>st</sup> March 2012.

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) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (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 31<sup>st</sup> March 2012 for a period of more than six months from the date they became payable.
- (c) 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 31<sup>st</sup> March 2012, 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  
28-May-2012

RAMAMOHAN R HEGDE  
Partner  
M.No.23206

**BALANCE SHEET AS AT 31ST MARCH, 2012**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

	Figures as at the end of current reporting period Rupees	Figures as at the end of previous reporting period Rupees
<b>I. Equity and liabilities</b>		
(1) Shareholders' funds		
Share capital	2,99,71,698	2,99,71,698
Reserves and Surplus	5,89,56,849	5,99,44,098
	8,89,28,547	8,99,15,796
(2) Non-current liabilities		
Deferred tax liabilities (Net)	25,87,555	30,27,598
Other long term liabilities	1,04,342	32,592
Long-term provisions	5,42,773	5,86,829
	32,34,670	36,47,019
(3) Current liabilities		
Trade payables	99,38,402	88,71,124
Other current liabilities	54,30,939	48,94,002
Short-term provisions	88,858	90,845
	1,54,58,199	1,38,55,971
<b>Total</b>	<b>10,76,21,416</b>	<b>10,74,18,786</b>
<b>II. Assets</b>		
(1) Non current assets		
Fixed Assets		
Tangible assets	3,47,48,099	3,43,69,920
Intangible assets	12,850	21,417
	3,47,60,949	3,43,91,337
Non-current investments	29,15,000	29,15,000
Long-term loans and advances	1,09,85,839	96,64,250
Other non-current assets	83,56,049	68,09,373
	2,22,56,888	1,93,88,623
(2) Current assets		
Inventories	1,46,66,235	1,48,24,736
Trade receivables	2,71,15,045	2,66,47,796
Cash and Bank Balances	63,25,832	1,01,41,913
Short-term loans and advances	24,36,092	18,80,649
Other current assets	60,375	1,43,732
	5,06,03,579	5,36,38,826
<b>Total</b>	<b>10,76,21,416</b>	<b>10,74,18,786</b>
Significant accounting policies	1	

The notes 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  
Mustafa Kamal  
Chairman & Managing Director

Ramamohan R Hegde  
Partner  
Membership Number:23206

S.M.M.Azeez  
Director

Place: Bangalore  
Date : 28-05-2012

	Figures as at the end of current reporting period Rupees	Figures as at the end of previous reporting period Rupees
<b>Revenue</b>		
Gross Income from operations	8,25,38,569	9,12,49,273
Less: Excise duty	1,01,70,532	1,26,59,297
<b>I Net Income from operations</b>	<b>7,23,68,037</b>	<b>7,85,89,976</b>
<b>II Other Income</b>	<b>1,49,546</b>	<b>6,24,886</b>
<b>III Total Revenue (I+II)</b>	<b>7,25,17,583</b>	<b>7,92,14,862</b>
<b>Expenses</b>		
Cost of materials consumed	2,51,95,853	2,46,07,882
Purchase of stock-in-trade	78,27,261	79,25,494
Changes in inventories of finished products, work-in-progress and stock-in-trade	3,66,685	(7,64,313)
Employee benefits expense	1,56,99,919	1,60,14,278
Finance costs		
Depreciation	25,34,260	23,81,404
	85,699	97,258
<b>Other expenses</b>	<b>2,23,20,897</b>	<b>2,64,95,629</b>
<b>IV Total Expenses</b>	<b>7,38,59,176</b>	<b>7,65,63,116</b>
<b>V Profit/(loss) before taxes (III -IV)</b>	<b>(13,41,593)</b>	<b>26,51,746</b>
<b>VI Tax expense</b>		
Current tax		10,00,000
Deferred tax	(4,40,043)	(4,34,484)
Short/(excess) provision of earlier years		(21,337)
<b>VII Profit/(loss) for the period ( + )</b>	<b>(9,01,550)</b>	<b>21,07,567</b>
<b>VIII Earnings per share</b>	<b>41</b>	
Basic	-0.30	0.70
Diluted	-0.30	0.70
Significant accounting policies	1	

The notes 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  
Mustafa Kamal  
Chairman & Managing Director

Ramamohan R Hegde  
Partner  
Membership Number:23206

S.M.M.Azeez  
Director

Place: Bangalore  
Date : 28-05-2012

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	2012 Rupees	2011 Rupees
<b>A Cash flow from operating activities</b>		
Net Profit Before Tax	(13,41,593)	26,51,746
Adjustments for:		
Depreciation	24,48,561	22,84,146
(Profit)/Loss on sale of Assets	41,931	
(Profit)/Loss on sale of Investments	54,446	(85,688)
Interest & Finance Charges	16,29,922	72,837
Operating Profit before Working Capital Changes	12,03,345	22,71,295
Adjustments for:		
Decrease/(Increase) in Trade and Other Receivables	(17,76,695)	
Decrease/(Increase) in Inventories	1,58,501	
Increase/(Decrease) in Trade and Other Payables	11,728	
Cash generated from operations	12,15,073	49,23,041
Finance Charges	(54,446)	2,68,038
Income Tax paid net of refund	(30,905)	51,91,079
Net Cash flow from Operating activities (A)	11,29,722	99,645
<b>B Cash flow from investing activities</b>		
Purchase of Fixed Assets	(30,65,803)	
Advance towards Capital Goods	(20,00,000)	
Mutual Fund (Net)	1,20,000	
Sale of Fixed Assets		(72,837)
Net Cash used in Investing activities (B)	(49,45,803)	1,72,482
<b>C Cash flow from financing activities</b>		
Issue of equity shares		(28,51,427)
Dividend Paid		(86,78,411)
Dividend Tax Paid		4,70,687
Net Cash used in financing activities (C)	(1,10,59,151)	
Net Increase in cash & Cash Equivalents (A) + (B) + (C)	(38,16,081)	(26,24,841)
Cash or Cash Equivalent at the beginning of the year	1,01,41,913	(83,93,268)
Cash or Cash Equivalent at the end of the year *	63,25,832	1,85,35,181

Note: 1. Cash flow statement has been prepared following the indirect method as Accounting Standard 3 (Revised)

2. Previous year figures have been regrouped/reclassified.

3. \* Includes Earmarked balances with the bank

10,90,063

28,71,759

**For and on behalf of the Board**

**Mustafa Kamal**  
Chairman & Managing Director  
Place: Bangalore  
Date : 28-05-2012

**S.M.M.Azeez**  
Director

AUDITORS' CERTIFICATE

To  
The Board of Directors  
Toyama Electric Ltd, Bangalore

We have examined the above cash flow statement of Toyama Electric Limited for the year ended 31st March, 2012. 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 28-May-2012 to the Members of the Company

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

**Bangalore**  
28-May-2012  
**RAMAMOHAN R HEGDE**  
Partner  
M.No.23206

## Significant accounting policies

### (a) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, on accrual basis of accounting to comply in all material respects, with the mandatory accounting standards as notified by the Companies (Accounting Standards) Rules, 2006 as amended ('the Rules') and the relevant provisions of the Companies Act, 1956 ('the Act'). The accounting policies have been consistently applied by the Company, and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP').

All assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and other criteria set out in the Schedule-VI to the Companies Act, 1956. Based on nature of products and time between the acquisition of assets for processes and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current- non-current classification of assets and liabilities.

### (b) Use of estimates

The preparation of financial statements in conformity with the Indian GAAP, requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of incomes and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

### (c) Revenue recognition

i) **Sales & Services**  
Sale of goods are recognised at the time of dispatch to the customer.

Revenue from services are recognised when such services are rendered.

### ii) Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

### (d) Fixed assets

**Tangible and Intangible assets**

i) Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost is inclusive of borrowing cost and other incidental charges incurred up to the date of installation / put to use.

ii) Credit availed on purchase of fixed assets is reduced from the cost of respective assets.

iii) Adjustments arising from foreign exchange rate fluctuation relation to liabilities attributable to fixed assets are taken to profit and loss account.

### (e) Impairment of assets

As asset is impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed, if there has been a change in the estimate of recoverable amount.

### (f) Investments

i) Investment intended to be held for not more than a year are classified as current investments. These are valued at lower of cost and fair value.

ii) Long-term investments are stated at cost. Provision for diminution in value is made only if, in the opinion of management, such a decline is other than temporary.

(g) 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.

### (h) Depreciation and amortization

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.

### (g) 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.

### (h) Employee Benefits:

#### i) 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

#### ii) 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").

**iii) Short Term Employee benefits**

Short term employee benefits expected to be paid in exchange for the services rendered by the employees is recognized during the period when the employee renders service.

**(j) Provisions, contingent liabilities and contingent assets**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable 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 best estimates.

Contingent liabilities are disclosed by way of notes to accounts.

Contingent assets are not recognized or disclosed.

**(k) Taxes on income**

Tax on Income for the current year is determined on the basis of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a reasonable/virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

**(l) Earnings/(loss) per share**

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors

For the purpose of calculating diluted earnings/(loss) per share, the net profit/(loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(m) Financial and Derivative Instruments**

During the current year company has not entered into derivative/forward contracts.

**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012**

Figures as at the end of current reporting period Rupees

Figures as at the end of previous reporting period Rupees

2 Share capital		
Equity Share Capital		
Authorised:	3,00,00,000	3,00,00,000
30,00,000 equity shares of Rs.10 each		
(Previous Year : 30,00,000 equity shares of Rs.10 each)	3,00,00,000	3,00,00,000
Issued, Subscribed and Paid Up:	2,99,14,000	2,99,14,000
29,91,400 equity shares of Rs.10 each, fully paid up (Previous Year : 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)		
Add: Amount received on 8600 Forfeited Equity Shares	57,698	57,698
	2,99,71,698	2,99,71,698

**(a) Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956**

Reconciliation of the number of shares outstanding

Particulars	Equity Shares Number	Rs
Shares outstanding at the beginning of the year	29,91,400	2,99,14,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	29,91,400	2,99,14,000

**(b) Rights, preferences, and restriction attached to shares.**

The company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting held, in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining asset of the company after distribution of all preferential amount, in the proportion of their shareholding.

**(c) Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)**

Details of Share Holders holding more than 5%

Name of Shareholder	As at 31-03-2012		As at 31-03-2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mustafa Kamal	15,51,360	51.71%	15,51,360	51.71%

**(d) Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956**

Details of Share allotted for a consideration other than cash

Particulars	Year (Aggregate No. of Shares)		
	2011-12	2010-11	2009-10
Equity Shares:			
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-
Fully paid up by way of bonus shares	-	-	-
Shares bought back	-	-	-

**(e) Disclosure pursuant to Note no. 6(A)(k) of Part I of Schedule VI to the Companies Act, 1956**

Details of Unpaid Calls

	Rupees
Unpaid Calls	-
By Directors	-
By Officers	-

**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012**

Figures as at the end of current reporting period Rupees

	Figures as at the end of current reporting period Rupees	Figures as at the end of previous reporting period Rupees
<b>3 Reserves and Surplus</b>		
Securities premium account		
Opening Balance	2,39,53,346	2,39,53,346
Additions during the year		
Deductions during the year		
General reserve	2,86,19,886	2,86,19,886
Opening Balance		
Additions during the year		
Deductions during the year		
Revaluation reserve	18,45,860	19,43,118
Less: To Profit & Loss Account-Depreciation	85,699	97,258
Surplus	17,60,161	18,45,860
Balance brought forward from previous year	55,25,006	39,17,439
Profit / (Loss) for the period	(9,01,550)	21,07,567
Amount Transferred to general Reserve		(5,00,000)
Surplus- Closing Balance	46,23,456	55,25,006
	5,89,56,849	5,99,44,098

<b>4 Deferred Tax</b>		
Deferred Tax Liabilities	25,87,555	30,27,598
Deferred Tax Assets		
Deferred Tax Liabilities (Net)	25,87,555	30,27,598
(PY) Deferred Tax Liabilities (Net))		
<b>5 Other long term liabilities</b>		
Trade payables	1,04,342	32,592
	1,04,342	32,592
<b>6 Long-term provisions</b>		
Provisions for employee benefits	5,42,773	5,86,829
Gratuity- (Funded)	5,42,773	5,86,829
<b>7 Trade payables</b>		
Trade payable-due to Micro, Small & Medium Enterprises	53,80,133	45,89,015
Trade payable-others	99,38,402	88,71,124
<b>8 Other current liabilities</b>		
Salaries	8,47,823	8,76,080
Bonus and incentives	6,16,597	4,98,566
Withholding and other taxes payable	12,57,703	10,95,459
Due to directors	2,38,192	1,70,260
Advance from customers	4,98,700	5,79,929
Unclaimed Dividend	5,45,327	6,58,029
Expenses payable	14,26,597	10,15,679
	54,30,939	48,94,002
<b>9 Short-term provisions</b>		
Provisions for employee benefits	88,858	90,845
Gratuity- (Funded)	88,858	90,845

**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012**

Figures as at the end of current reporting period Rupees

Particulars	Figures as at the end of current reporting period Rupees		Figures as at the end of previous reporting period Rupees	
	As at April 1, 2011	As at March 31, 2012	As at April 1, 2011	As at March 31, 2012
<b>10 FIXED ASSETS</b>				
<b>As Tangible assets:</b>				
Land:				
Free-hold	77,28,510	77,28,510		77,28,510
Buildings	91,14,706	91,14,706		12,26,579
Energy	72,75,066	72,75,066		72,75,066
Others	4,00,02,018	4,29,59,464		1,56,48,908
Plant and equipment	53,07,169	53,07,169		2,38,886
Tools & Dies	17,13,834	17,13,834		3,53,874
Furniture and fixtures	17,27,539	17,27,539		6,70,255
Office equipment	62,64,932	51,26,403		14,55,767
Vehicles	30,28,448	27,24,98		1,10,254
Computers	30,28,448	30,55,697		1,10,254
<b>Total</b>	8,31,52,223	8,52,79,686	4,87,82,392	3,47,48,999
Previous year	8,09,09,795	8,51,52,222	4,64,15,176	3,43,69,900
<b>As Intangible assets:</b>				
Computer Software	7,30,306	7,30,306	7,08,889	7,17,456
<b>Total</b>	7,30,306	7,30,306	7,08,889	7,17,456
Previous year	7,30,306	7,30,306	6,94,611	7,08,889

Dep On Revised Cost: 85,699 (97,258)  
Dep On Original Cost: 24,48,561 (22,84,146)  
Total Depreciation: 25,34,260 (23,81,404)

<b>11 Non-current investments</b>				
<b>Trade Investment</b>				
Investment in equity shares - Quoted, fully paid up				4,50,000
Future Venture (India) Ltd				
25000 shares (25000 Shares) of Rs 18 (Rs 18)				
Market Value: Rs 212,500 (Rs 450,000)				
Investments in mutual funds - quoted, fully paid up				5,10,000
DSP Black Rock Equity Fund- Regular Plan- Growth				
29517.68 Units (29517.68 Units) of Rs 17.28 (Rs 17.28)				
Market Value: Rs 469,213.06 (Rs 489,137.49)				
Fidelity Equity Fund- Growth				
11506.223 Units (11506.223 Units) of Rs 36.94 (Rs 36.94)				
Market Value: Rs 392,408.23 (Rs 418,907.06)				
IDFC Premier Equity Fund- Plan A Growth				
14,880.98 Units (14,880.98 Units) of Rs 34.27 (Rs 34.27)				
Market Value: Rs 490,121.54 (Rs 465,724.17)				
Reliance Growth Fund- Retail Plan-Growth Plan				
1,016.01 Units (1,016.01 Units) of Rs 501.96 (Rs 501.96)				
Market Value: Rs 440,768.28 (Rs 466,725.38)				
Reliance Regular Saving - Equity Plan-Growth Option				
15,473.99 Units (15,473.99 Units) of Rs 32.95 (Rs 32.95)				
Market Value: Rs 428,162.32 (Rs 468,942.48)				
<b>12 Long-term loans and advances</b>				
Unsecured and considered good				29,15,000
Capital advances				
Advance towards purchase of property				80,00,000
Advance towards Purchase of Machinery				6,78,411
Rental deposits & other deposits				9,85,839
				96,64,250
<b>13 Other non-current assets</b>				
Long term trade receivables				68,09,373
Unsecured and considered good				68,09,373

**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012**

Figures as at the end of current reporting period Rupees

	Figures as at the end of current reporting period Rupees	Figures as at the end of previous reporting period Rupees
<b>14 Inventories</b>		
Raw material	45,73,571	44,23,540
Stores and spares	4,73,393	4,77,900
Work-in-progress	25,58,801	25,89,755
Finished goods	44,84,987	43,75,859
Stock-in-trade	25,75,483	29,57,682
	1,46,66,235	1,48,24,736
<b>15 Trade receivables</b>		
Unsecured and considered good	25,45,913	22,42,836
Exceeding six months	2,45,69,132	2,44,04,960
Others	2,71,15,045	2,66,47,796
<b>16 Cash and Bank Balances</b>		
Cash in hand	1,14,307	33,682
<b>Balance with Bank</b>		
In Current Account	51,21,462	72,36,472
In Dividend Account	5,45,326	6,58,028
As Margin Money	5,44,737	22,13,731
	63,25,832	1,01,41,913
<b>17 Short-term loans and advances</b>		
Unsecured and considered good	1,82,542	1,89,712
Prepaid expenses	1,74,114	1,34,344
For supply of goods and rendering of services	2,11,400	2,34,213
Loans and advances to employees	9,34,888	5,16,713
Deposit with Government Departments	6,74,490	6,43,585
Tax Payments net of Provision	2,58,658	1,62,082
Other advances	24,36,092	18,80,649
<b>18 Other current assets</b>		
Interest Receivable	60,375	1,43,732
	60,375	1,43,732
<b>19 Gross Income from operations</b>		
Finished goods	6,94,10,911	8,07,70,093
Traded goods	1,17,64,341	90,46,636
Labour charges	13,63,317	14,32,544
	8,25,38,569	9,12,49,273
<b>20 Other Income</b>		
Interest Income	40,426	1,41,499
Exchange Gain (Net)	-	28,320
Profit on sale of investments	-	85,688
Interest on Tax Refunds	1,09,120	2,03,520
Miscellaneous income	1,49,546	1,65,859
	6,24,886	6,24,886
<b>21 Cost of materials consumed</b>		
Raw material and components		
Opening stock	44,23,540	35,05,953
Add: Purchases	2,52,92,439	2,54,41,802
Less: Closing stock	45,73,571	44,23,540
	2,51,42,408	2,45,24,215
Adjustment for excise duty on stock	53,445	83,667
	2,51,95,853	2,46,07,882

**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012**

Figures as at the end of current reporting period Rupees

	Figures as at the end of current reporting period Rupees	Figures as at the end of previous reporting period Rupees
<b>22 Changes in inventories of finished products, work-in-progress and stock-in-trade</b>		
<b>Finished Goods</b>		
Opening stock	43,75,859	56,51,227
Less : Closing stock	44,84,987	43,75,859
	(1,09,128)	12,75,368
<b>Work-in-progress</b>		
Opening stock	25,89,755	8,45,719
Less : Closing stock	25,58,801	25,89,755
	30,954	(17,44,036)
<b>Stock-in-trade</b>		
Opening stock	29,57,682	26,91,879
Less : Closing stock	25,75,483	29,57,682
	3,82,199	(2,65,803)
Adjustment for excise duty on stock	62,660	(29,842)
	3,66,685	(7,64,313)
<b>23 Employee benefits expense</b>		
Salaries, wages and bonus	1,42,97,538	1,46,77,163
Contribution to provident and other funds	9,85,756	9,44,495
Staff welfare	4,16,625	3,92,620
	1,56,99,919	1,60,14,278
<b>24 Other expenses</b>		
Consumption of stores & spares	12,22,190	34,08,400
Power and fuel	21,75,519	21,43,068
Packing materials	19,23,993	20,34,538
Lease rentals	5,82,860	3,97,832
Repairs & maintenance - machinery/electricals	4,27,324	3,85,540
Repairs & maintenance - others	3,33,736	4,69,571
Job work	14,89,067	26,75,082
Transportation	17,90,964	19,34,240
Rates & taxes	1,96,064	1,27,257
Purchase - Advertisement & Catalogues	6,34,106	3,72,957
Directors' sitting fees	54,000	54,000
Business promotion expenses	4,35,798	5,78,258
Postage, telephone & telegram	10,05,875	13,36,067
Printing & Stationery	2,20,722	2,43,812
Professional charges	6,56,397	3,56,345
Travelling & conveyance	30,94,600	37,24,287
Vehicle maintenance	3,53,939	7,74,872
Bad debts written off	3,562	81,038
Commission, Discounts & Damages	16,61,361	14,93,524
Director's remuneration	30,00,000	30,00,000
Bank charges	54,446	72,837
Auditors' remuneration		
For Statutory Audit	1,20,000	1,20,000
For Tax Audit	40,000	40,000
For Certification/Limited Review	40,000	40,000
Out of Pocket Expenses	13,000	8,164
Loss on sale of fixed asset	41,931	-
Exchange Loss (Net)	25,865	6,23,940
Miscellaneous expenses	7,23,578	2,64,95,629
	2,23,20,897	

**25 Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) - Nil  
(Previous Year-Rs 35,94,216)

**26 Contingent liabilities not provided for**

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
	Nil	Nil	Nil	Nil
Bank Guarantee				
Total				

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

**28 Capacity Utilisation:**

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
	Rs.	%	Rs.	%
<b>Licensed Capacity</b>				
Transformers	20 Lakhs	20 Lakhs	20 Lakhs	20 Lakhs
Switches	20 Lakhs	20 Lakhs	20 Lakhs	20 Lakhs
<b>Installed Capacity</b>				
Transformers	20 Lakhs	20 Lakhs	20 Lakhs	20 Lakhs
Switches	20 Lakhs	20 Lakhs	20 Lakhs	20 Lakhs

**29 Raw materials and components consumed (Excluding Traded Items)**

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.

**30 Value of imported and indigenous raw material and components consumed (Excluding Traded Items)**

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
	Rs.	%	Rs.	%
Imported	3,03,676	10.12%	24,90,428	10.12%
Indigenous	2,48,92,177	89.88%	2,21,17,454	89.88%
Total	2,51,95,853		2,46,07,882	

**31 Particulars of opening stock, production, sales & closing stock of finished goods**

Description	Opening Stock No's	Opening Stock (Rs.)	Manufactured No's	Sales No's	Sales Value (Rs.)	Closing Stock No's	Closing Stock (Rs.)
<b>Manufactured Goods</b>							
Transformers	25,757 (1,72,199)	6,04,727 (4,74,824)	2,99,468 (2,90,021)	3,25,225 (9,36,364)	31,15,635 (86,05,978)	23,257 (2,32,577)	6,00,272 (6,00,272)
Switches & Accessories	2,06,844 (2,34,335)	37,75,132 (51,76,403)	17,92,594 (15,40,132)	18,13,751 (15,67,623)	6,12,35,104 (6,07,15,628)	1,85,687 (2,04,944)	38,87,673 (37,75,132)
Moulds & Tools and Components			3,46,352 (1,55,698)	3,46,352 (1,55,698)	50,40,172 (1,14,48,487)		
TOTAL	2,52,601 (4,06,535)	43,75,859 (56,51,227)	24,38,414 (4,45,851)	24,45,328 (26,29,485)	6,94,14,911 (8,07,70,093)	1,85,687 (2,32,601)	38,87,673 (43,75,859)

**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012**

	Figures as at the end of		Rupees
	current reporting period	previous reporting period	
<b>22 Changes in inventories of finished products, work-in-progress and stock-in-trade</b>			
<b>Finished Goods</b>			
Opening stock	43,75,859	56,51,227	
Less : Closing stock	44,84,987 (1,09,128)	43,75,859 12,75,368	
<b>Work-in-progress</b>			
Opening stock	25,89,755	8,45,719	
Less : Closing stock	25,58,801 30,954	25,89,755 (17,44,036)	
<b>Stock-in-trade</b>			
Opening stock	29,57,682	26,91,879	
Less : Closing stock	25,75,483 3,82,199	29,57,682 (2,65,803)	
Adjustment for excise duty on stock	62,660 3,66,685	(29,842) (7,64,313)	
<b>23 Employee benefits expense</b>			
Salaries, wages and bonus	1,42,97,538	1,46,77,163	
Contribution to provident and other funds	9,85,756	9,44,495	
Staff welfare	4,16,625	3,92,620	
	1,56,99,919	1,60,14,278	
<b>24 Other expenses</b>			
Consumption of stores & spares	12,22,190	34,08,400	
Power and fuel	21,75,519	21,43,068	
Packing materials	19,23,993	20,34,538	
Lease rentals	5,82,860	3,97,832	
Repairs & maintenance - machinery/electricals	4,27,324	3,85,540	
Repairs & maintenance - others	3,33,736	4,69,571	
Job work	14,89,067	26,75,082	
Transportation	17,90,964	19,34,240	
Rates & taxes	1,96,064	1,27,257	
Purchase - Advertisement & Catalogues	6,34,106	3,72,957	
Directors' sitting fees	54,000	54,000	
Business promotion expenses	4,35,798	5,78,258	
Postage, telephone & telegram	10,05,875	13,36,067	
Printing & Stationery	2,20,722	2,43,812	
Professional charges	6,56,397	3,56,345	
Travelling & conveyance	30,94,600	37,24,287	
Vehicle maintenance	3,53,939	7,74,872	
Bad debts written off	3,562	81,038	
Commission, Discounts & Damages	16,61,361	14,93,524	
Director's remuneration	30,00,000	30,00,000	
Bank charges	54,446	72,837	
Auditors' remuneration	1,20,000	1,20,000	
For Statutory Audit	40,000	40,000	
For Tax Audit	40,000	40,000	
For Certification/Limited Review	13,000	8,164	
Out of Pocket Expenses	41,931	41,931	
Loss on sale of fixed asset	25,865	25,865	
Exchange Loss (Net)	7,23,578	6,23,940	
Miscellaneous expenses	2,23,20,897	2,64,95,629	



**25 Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) - Nil  
(Previous Year-Rs 35,94,216)

**26 Contingent liabilities not provided for**

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Bank Guarantee	Nil	Nil
Total	Nil	Nil

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

**28 Capacity Utilisation:**

Qty in Nos.

	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b>Licensed Capacity</b>		
Transformers	20 Lakhs	20 Lakhs
Switches/switches	20 Lakhs	20 Lakhs
<b>Installed Capacity</b>		
Transformers	20 Lakhs	20 Lakhs
Switches/switches	20 Lakhs	20 Lakhs

**29 Raw materials and components consumed (Excluding Traded Items)**

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.

**30 Value of imported and indigenous raw material and components consumed (Excluding Traded Items)**

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
	%	Rs.	%	Rs.
Imported	1.21%	3,03,676	10.12%	24,90,428
Indigenous	98.79%	2,48,92,177	89.88%	2,21,17,454
Total		2,51,95,853		2,46,07,882

**31 Particulars of opening stock, production, sales & closing stock of finished goods.**

Description	Opening Stock No's	Opening Stock (Rs.)	Manufactured No's	Sales No's	Sales Value (Rs.)	Closing Stock No's	Closing Stock (Rs.)
Manufactured Goods							
Transformers	25,757 (1,72,100)	6,00,727 (4,74,824)	2,99,468 (7,90,021)	3,25,225 (9,26,366)	31,15,635 (86,05,978)		(6,00,727)
Switches & Accessories	2,06,844 (2,34,333)	37,75,132 (51,76,403)	17,92,594 (15,40,132)	14,13,751 (15,67,623)	6,12,35,104 (6,07,15,628)	1,85,067 (2,06,844)	38,87,673 (37,75,132)
Mould & Tools and Components			3,46,352 (1,55,698)	3,46,352 (1,55,698)	50,60,172 (1,14,48,487)		
TOTAL	2,32,601 (4,06,433)	43,75,859 (56,51,227)	24,38,414 (21,85,851)	24,85,328 (26,59,685)	6,94,10,911 (9,87,70,093)	1,85,067 (2,32,601)	38,87,673 (43,75,859)

**32 Particulars of opening stock, production, sales & closing stock of Traded Goods**

Description	Opening Stock No's	Opening Stock (Rs.)	Purchased No's	Sales No's	Sales Value (Rs.)	Closing Stock No's	Closing Stock (Rs.)
MCB & Mead Box	35,224 (35,506)	29,57,682 (26,91,879)	2,41,415 (2,00,948)	2,40,867 (2,01,230)	1,17,64,341 (99,46,636)	35,772 (35,224)	25,75,483 (29,57,682)
TOTAL	35,224 (35,506)	29,57,682 (26,91,879)	2,41,415 (2,00,948)	2,40,867 (2,01,230)	1,17,64,341 (99,46,636)	35,772 (35,224)	25,75,483 (29,57,682)

**33 Value of imports on CIF basis**

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Raw Materials	1,97,401	22,67,981
Capital Goods	-	10,26,700
Total	1,97,401	32,94,681

**34 Earnings in foreign exchange**

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Export of goods on F.O.B. basis	11,12,725	3,44,641
Total	11,12,725	3,44,641

**35 Expenditure in foreign currency**

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Travelling	-	-
Dividend	-	21,150
Total	-	21,150

**36 Employee benefits:**

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standards are given below:

**a. Defined Contribution Plans**

Contribution to Defined Contribution plan, recognized as expenses for the year are as follows:

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Employers contribution to Provident Fund	6,86,996	5,73,908
Employers contribution to Employee's State Insurance	2,53,958	2,50,329

**b. Defined Benefit Plans:**

Gratuity: The liability for gratuity is funded through a scheme administered by Group gratuity policy with Life Insurance corporation of India and provision is made based on report as at Balance Sheet date by Life Insurance Corporation of India.

32 Particulars of opening stock, production, sales & closing stock of Traded Goods

Description	Opening Stock No.'s	Opening Stock (Rs.)	Purchased No.'s	Sales No.'s	Sales Value (Rs.)	Closing Stock No.'s	Closing Stock (Rs.)
MCB & Metal Box	35,224 (35,506)	29,57,682 (26,91,879)	2,41,415 (2,00,948)	2,40,867 (2,01,230)	1,17,64,341 (90,46,636)	35,772 (35,224)	25,75,483 (29,57,682)
TOTAL	35,224 (35,506)	29,57,682 (26,91,879)	2,41,415 (2,00,948)	2,40,867 (2,01,230)	1,17,64,341 (90,46,636)	35,772 (35,224)	25,75,483 (29,57,682)

33 Value of imports on CIF basis

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Raw Materials	1,97,401	22,67,981
Capital Goods	-	10,26,700
Total	1,97,401	32,94,681

34 Earnings in foreign exchange

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Export of goods on F.O.B. basis	11,12,725	3,44,641
Total	11,12,725	3,44,641

35 Expenditure in foreign currency

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Travelling	-	-
Dividend	-	21,150
Total	-	21,150

36 Employee benefits:

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standards are given below:

a. Defined Contribution Plans

Contribution to Defined Contribution plan, recognized as expenses for the year are as follows:

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Employers contribution to Provident Fund	6,86,996	5,73,908
Employers contribution to Employee's State Insurance	2,53,958	2,50,329

b. Defined Benefit Plans:

Gratuity: The liability for gratuity is funded through a scheme administered by Group gratuity policy with Life Insurance Corporation of India and provision is made based on report as at Balance Sheet date by Life Insurance Corporation of India.

In Rupee

Particulars	31-Mar-12	31-Mar-11
Obligations at year beginning	12,50,686	11,72,254
Service cost	90,843	80,888
Interest cost	1,00,055	93,780
Actuarial (gain)/loss	(91,787)	(4,347)
Benefits paid	(94,567)	(91,889)
Obligations at year end	12,55,230	12,50,686

Defined benefit obligation liability as at the balance sheet date is funded by the Company.

Change in plan assets	5,33,459
Plan assets at year beginning, at fair value	50,615
Expected return on plan assets	80,827
Actuarial gain	(91,889)
Contributions	6,23,599
Benefits paid	5,73,012
Plan assets at year end, at fair value	

Net asset/(liability) recognized in balance sheet as at March 31:

Fair value of plan assets at the end of the	5,73,012
Present value of the defined benefit	12,50,686
Net Asset/(liability) recognized in the balance sheet	(6,77,674)

Recognised under:

Long term provisions	(5,42,773)
Short term provisions	(88,858)
Total	(6,31,631)

Assumptions

Discount Rate	8.00%
Expected Return on plan assets	7.00%
Salary escalation	-

Net gratuity cost as on March 31, 2012 and on March 31, 2011 comprises of the following components:

Particulars	As at 31-Mar-12	31-Mar-11
Gratuity cost for the year	90,843	80,888
Service cost	1,00,055	93,780
Interest cost	(54,309)	(50,615)
Expected return on plan assets	(91,787)	(4,347)
Actuarial (gain)/loss	44,802	1,19,706
Net gratuity cost		

37 Segment Reporting

The Company operates in only one primary segment of business. Secondary segmental reporting is based on the geographical location of customers. During the year company had major business within India and total sales outside India are less than the prescribed limits required for separate segmental reporting and hence the same is not made.

38 Related Party Disclosures

Related party disclosures as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India are given below:

i Name of Related Party

Name	Relation
Mr. S.M.M. Azeez	Director
Mr. Mustafa Kamal	Chairman and Managing Director
Mrs. Farah Kamal	Relative of Director
Toyama Controls & Systems Private Limited	Associate Company

In Rupee

Particulars	31-Mar-12	31-Mar-11
Obligations at year beginning	12,50,686	11,72,254
Service cost	90,843	80,888
Interest cost	1,00,055	93,780
Actuarial (gain)/loss	(91,787)	(4,347)
Benefits paid	(94,567)	(91,889)
Obligations at year end	12,55,230	12,50,686

Defined benefit obligation liability as at the balance sheet date is funded by the Company.

Change in plan assets	5,73,012	5,33,459
Plan assets at year beginning, at fair value	54,309	50,615
Expected return on plan assets	90,845	80,827
Actuarial gain	(94,567)	(91,889)
Contributions	6,23,599	5,73,012
Benefits paid		
Plan assets at year end, at fair value		

Net asset/(liability) recognized in balance sheet as at March 31:

Fair value of plan assets at the end of the	6,23,599	5,73,012
Present value of the defined benefit	12,55,230	12,50,686
Net Asset/(Liability) recognized in the balance sheet	(6,31,631)	(6,77,674)
Recognised under:		
Long term provisions	(5,42,773)	(5,86,829)
Short term provisions	(88,858)	(90,845)
Total	(6,31,631)	(6,77,674)

Assumptions

Discount Rate	8.00%	8.00%
Expected Return on plan assets	7.00%	7.00%
Salary escalation		

Net gratuity cost as on March 31, 2012 and on March 31, 2011 comprises of the following components:

Particulars	As at	31-Mar-12	31-Mar-11
Gratuity cost for the year			
Service cost		90,843	80,888
Interest cost		1,00,055	93,780
Expected return on plan assets		(54,309)	(50,615)
Actuarial (gain)/loss		(91,787)	(4,347)
Net gratuity cost		44,802	1,19,706

37 Segment Reporting

The Company operates in only one primary segment of business. Secondary segmental reporting is based on the geographical location of customers. During the year company had major business within India and total sales outside India are less than the prescribed limits required for separate segmental reporting and hence the same is not made.

38 Related Party Disclosures

Related party disclosures as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India are given below:

i Name of Related Party

Name	Relation
Mr. S M M Azeez	Director
Mr. Mustafa Kamal	Chairman and Managing Director
Mrs. Farah Kamal	Relative of Director
Toyama Controls & Systems Private Limited	Associate Company

ii Transactions with Related Parties

Figures as at the end of current reporting period

Name	Remuneration
Mr. S M M Azeez	15,00,000
Mr. Mustafa Kamal	15,00,000

Figures as at the end of previous reporting period

Name	Remuneration
Mr. S M M Azeez	15,00,000
Mr. Mustafa Kamal	15,00,000

iii Outstanding Balance

Name	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Mr. S M M Azeez	1,24,800	92,301
Mr. Mustafa Kamal	1,13,392	77,959

39 The net deferred tax asset/ (liability) as at year end comprises the tax impact (including savings) arising from the following

	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Depreciation	(33,66,411)	(34,41,431)
Disallowance under Section 43B, 40(a), etc	5,83,682	2,04,432
Provisions and Section 40A(7) disallowances	1,95,174	2,09,401
Net Deferred Tax Asset/(Liability)	(25,87,555)	(30,27,598)

40 Impairment of Assets - Accounting Standard - 28

The Company has carried out a verification of Assets and found no material Impairment of Assets as on 31-03-2012, therefore no provision is made in respect of Impairment of Assets during the year.

41 Earning per share (EPS)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Net Profit as per Profit and Loss Account	Rs. (9,01,550)	21,07,567
Less: Dividend on preference shares		
Less: Dividend distribution tax on preference shares		
I. Net Profit as per Profit and Loss Account available for Equity Shareholders	Rs. (9,01,550)	21,07,567
II. Weighted average number of equity shares for Earnings Per Share		
A) For Basic Earnings Per Share of	Rs. 29,91,400	29,91,400
B) For Diluted Earnings Per Share of	Rs. 29,91,400	29,91,400
II. Earning per share (Face Value of Rs. 10 Each)	Rs. (0.30)	0.70
Basic	Rs. (0.30)	0.70
Diluted	Rs. (0.30)	0.70

**42 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 Building is taken on operating lease with options of renewal against increased rent and premature termination of agreement.
- iii Lease payments are recognized in the profit & Loss Account under "Lease Rentals" in note no 24
- iv Future minimum lease payments under non-cancellable operating lease are Nil.
- v There are no contingent rents.

**43 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 note no 7 'Trade Payable' 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.

**44 Investments in Mutual Funds and Other Equity Shares are stated at cost. No provision for diminution in value is made since these investments are intended to be held for a longer period.**

**45 Number of Non-Resident shareholders 233 (240)**

**46 Disclosure on derivative instruments**

- i Forward Exchange contracts, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables, outstanding as on march 31, 2012 are given below

Figures as at the end of current reporting period

No. of contracts	Nature of hedge	Currency	Am	Cross	Amount
		Nil			

Figures as at the end of previous reporting period

No. of contracts	Nature of hedge	Currency	Am	Cross	Amount
		Nil			

- ii Foreign currency exposures as at March 31, 2011 that have not been hedged by a derivative instrument or otherwise:

Particulars	Currency	Figures as at the end of current		Figures as at the end of	
		INR	Foreign	INR	Foreign Currency
Receivables	USD	Nil	Nil	Nil	Nil
Payables					
Advance Received from Customer	USD	4,98,700	11,080	5,73,179	12,500

- 47 No Depreciation is been provided on other office buildings as the same has not been used during the year.

- 48 Figures in brackets relate to previous year.

- 49 Previous year's figures have been regrouped / reclassified wherever necessary to conform to current year's classification.

For K.S.Aiyar & Co  
Chartered Accountants

For and on behalf of the Board

Ramankhan R Hegde  
Partner

Mustafa Kamal  
Chairman & Managing Director

S.M.M.Azeer  
Director

Membership Number:23206

Place: Bangalore  
Date : 28-05-2012

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

**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..... being a member/member of the above named Company hereby appoint..... in the district of..... in the district of..... or failing him..... in the district of..... as my/our proxy to vote for me/us and on my behalf at the Twenty Seventh Annual General Meeting of the Company to be held at the Registered Office of the Company on Tuesday 18th September, 2012 at 11.00 a.m. and at any adjournment thereof.

Signed this.....day of.....2012

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

Reg. Folio No. .... No. of Shares held .....

\*DP Id No.....

\*Client Id No.....

I hereby record my presence at the Twenty Seventh Annual General Meeting of M/s. Toyama Electric Limited to be held at its Regd. Office at 11.00 a.m. on Tuesday the 18th September, 2012.