



SWITCHING TECHNOLOGIES GÜNTHER LIMITED

14th Annual Report and Accounts 2002





GÜNTHER AMERICA
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COMUS
COMUS INTERNATIONAL
454 Allwood Road
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Sensing the World's needs

Assembly and technology finely matched to offer both standard and custom switch and sensor products to industry





GÜNTHER
W. GÜNTHER GmbH
VIRNSBERGER STR. 51
D. 90431 NÜRNBERG
GERMANY
Telephone: (911) 65520
Fax: (911) 6552239

Bauteile und Technologie wurden soweit in Einklang gebracht, daß sie sowohl für Standard-Schalter und Schalter-Sonderanfertigungen als auch für Sensor-Produkte auf dem Markt angeboten werden können

Les assemblages et la technologie ont été accordés pour qu'ils puissent être offerts sur le marché non seulement pour les interrupteurs standards et spéciaux mais encore pour les capteurs

Assemblaggi e tecnologia opportunamente uniti per offrire interruttori standard o custom e sensoristica per l'industria.



ASSEMtech
ASSEMTECH EUROPE LIMITED
RICEBRIDGE INDUSTRIAL ESTATE
THORPE LE SOKEN
ESSEX
ENGLAND CO16 0HH
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STG
SWITCHING TECHNOLOGIES
GÜNTHER LIMITED
Plots B9, B10 & C1, MEPZ
Tambaram
Chennai 600 045





SWITCHING TECHNOLOGIES GÜNTHER LIMITED

BOARD OF DIRECTORS	: M. UTTAM REDDI , <i>Chairman</i> ELSON D. NOWELL KLAUS MORAWETZ ROBERT P. ROMANO C.VENKATARAMAN (Alternate to ROBERT P.ROMANO) R.S.IYER (Alternate to KLAUS MORAWETZ)
GENERAL MANAGER (OPERATIONS)	: C. VENKATARAMAN
BANKERS	: STATE BANK OF INDIA
AUDITORS	: A.F.FERGUSON ASSOCIATES <i>Chartered Accountants</i> 7th Floor, Guna Office Complex Annexe, New No.443 (Old No.305/1), Anna Salai Chennai 600 018
SECRETARIAL CONSULTANT	: J.CHANDRASEKARAN <i>Practicing Company Secretary</i>
REGISTERED OFFICE & WORKS	: Plots B9, B10 & C1, Madras Export Processing Zone Kadapperi, Tambaram Chennai 600 045 Phone : 91-44-2628093 91-44-2628198 Fax : 91-44-2628271 e-mail : stg ltd@eth.net
REGISTRAR FOR ELECTONIC CONNECTIVITY	: CAMEO CORPORATE SERVICES LTD Subramanian Building 1, Club house Road, Chennai 600 002
REGISTRAR OF SHARES IN PHYSICAL MODE	: SECRETARIAL DEPARTMENT OF THE COMPANY

SWITCHING TECHNOLOGIES GÜNTHER LIMITED



SWITCHING TECHNOLOGIES GÜNTHER LIMITED

Regd. Office: B9, B10 & C1, Madras Export Processing Zone, Tambaram, Chennai 600 045

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 14th Annual General Meeting of the members of Switching Technologies Günther Ltd. Will be held on Friday, the 20th September, 2002 at Arasampatti Restaurant Private Ltd, 15, Duraiswamy Reddy Street, West Tambaram, Chennai 600 045 at 2.15 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account and Cash Flow Statement for the year ended 31st March, 2002 and the Balance Sheet as on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in the place of Mr. M. Uttam Reddi who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.
3. To appoint a Director in the place of Mr. Elson D. Nowell who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

For and on behalf of the Board

Place : Chennai
Date : 2nd June, 2002

M.UTTAM REDDI
Chairman

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ANNEXURE TO THE NOTICE

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTMENT THE PROXY TO BE VALID, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING.
2. The Register of Members and the Share transfer Books of the Company will remain closed from Tuesday, the 17th September, 2002 to Friday, the 20th September, 2002 (both days inclusive)
3. Members / Proxies attending the Annual General Meeting are requested to occupy their seats at least fifteen minutes before the scheduled time for the commencement of the meeting to avoid interruptions in the proceedings. Please also avoid being accompanied by non-members and children.
4. Members / Proxies should bring the Attendance Slips sent herewith duly filled in for attending the meeting and hand it over at the entrance.
5. Members are requested to bring their copies of the Annual Report to the meeting.
6. Members seeking any information with regard to accounts are requested to write to the Company at least 15 days in advance so as to enable the company to keep the information ready.
7. Members are requested to immediately intimate any change in their address registered with the Company quoting their respective Folio Number(s).
8. Members who have multiple folios in identical names or joint names in the same order are requested to intimate to the Company these folios to enable the Company to consolidate all such shareholdings into one folio.

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SWITCHING TECHNOLOGIES GÜNTHER LIMITED



DIRECTORS' REPORT

The Board of Directors of your company present their 14th Annual Report together with the audited accounts for the year ended 31st March 2002.

FINANCIAL RESULTS	Year Ended	Year ended
	31.03.2002	31.03.2001
	(Rs in 000's)	(Rs in 000's)
Sales and other Income	35,261,053	79,899,856
Profit/(Loss) before interest and depreciation	(16,216,298)	7,366,382
Interest	1,809,591	2,832,169
Profit/(Loss) before depreciation	(18,025,889)	4,534,213
Depreciation	5,932,480	5,801,786
Net Profit / (Loss)	(23,958,369)	(1,267,573)

PERFORMANCE OF THE COMPANY

In the current year there has been a decrease in sales volume and export revenue primarily due to the general recessionary status of global markets for industrial products, especially following the events of September 11th, 2001. Consequently the sales of the company decreased by more than 50% resulting in a considerable net loss to the company. Measures have been taken by your company to address these problems and it is anticipated that such measures will bear results in the next financial year.

FUTURE PROSPECTS

During the current financial year the Company has introduced a new series (1900 series) of switch which it proposes to Manufacture and Export. Management anticipates an increase in the size of export orders for the second half of the current financial year. The Company is in a position to take advantage of any future increases in demand from existing and potential customers in Europe as well as the U.S.A. when global markets stabilize.

Important factors affecting your company's ability to achieve future revenue growth and positive financial results include, among others, the future price trends for critical raw materials and whether, and the extent to which, demand for your company's products in the marketplace increases or decreases as well as whether your company's collaborator, W.Günther GmbH, being the primary export customer, increases, cancels or delays outstanding or future orders and/or reduces its future financial or technical support to the Company.

DEPOSITS

The Company has not invited or accepted any deposits during the year.

DIRECTORS

Dr. Behram H. Wadia, Director of the Company has resigned and the same was accepted by the Board at its meeting held on 2nd June, 2002. Mr. C. Venkataraman,

SWITCHING TECHNOLOGIES GÜNTHER LIMITED

General Manager (Operations) and Mr. R. S. Iyer, Asst. General Manager were appointed as Alternate Directors to Mr. Robert. P. Romano and Mr. Klaus Morawetz respectively by the Board of Directors on 2nd June, 2002.

Pursuant to provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. M. Uttam Reddi and Mr. Elson D. Nowell retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment as Directors.

PARTICULARS OF EMPLOYEES

There were no employees within the purview of Sec.217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

AUDITORS

The Auditors of the Company, M/s. A.F. Ferguson Associates, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

PERSONNEL

The industrial relations continued to remain cordial throughout the period.

DEMATERIALISATION OF SHARES

To facilitate the dematerialization of shares your company has appointed M/s. Cameo Corporate Services Limited, Chennai as Electronic Share Transfer Agent for providing electronic connectivity with National Securities Depository Ltd. and Central Depository Services (India) Ltd. Share transfer in physical form continues to be handled by the share department of the company.

LISTING WITH STOCK EXCHANGES

Your company's shares are listed in Madras, Mumbai and Ahmedabad Stock Exchanges. The listing continued throughout the year and the listing fees due to date have been paid.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

1. In the preparation of annual accounts, the applicable Accounting Standards have been followed.
2. The Directors had selected such accounting policies and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit and loss of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a 'going concern' basis.

SWITCHING TECHNOLOGIES GÜNTHER LIMITED

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information required under Sec 217 (1)(e) of the Companies Act, 1956 and rules framed thereunder relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in the Annexure, forming part of this report.

ACKNOWLEDGEMENT

The directors thank W. Günther GmbH, authorities of Madras Export Processing Zone, Reserve Bank of India, State Bank of India, Export Import Bank of India, International Finance Corporation (Washington) and employees for the guidance and assistance rendered to the company.

For and on behalf of the Board

Place : Chennai

M.UTTAM REDDI

Date : 2nd June, 2002

Chairman

ANNEXURE TO DIRECTORS' REPORT

Information as required under Section 217(1)(e) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

CONSERVATION OF ENERGY:

Adequate repairs and maintenance of production facilities and improvements in infrastructure were carried out throughout the financial year for achieving energy conservation.

TECHNOLOGY ABSORPTION:

Technology absorption in different areas was effected in a continuous manner throughout the year with the active involvement of the foreign collaborator. As in the past the deputation of technical experts by the collaborator continued in the year also. Technical personnel of your company also were trained in manufacturing process at the collaborator plant in Germany.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange earned on the export of Reed Switches and others on FOB basis during the period under review amounts to Rs. 350.74 lacs. Foreign exchange outgo on account of imported Raw Materials, Stores and Capital Goods was Rs. 272.17 lacs whereas expenditure in foreign currency on account of Interest was Rs. 15.94 lacs.

For and on behalf of the Board

Place : Chennai

M.UTTAM REDDI

Date : 2nd June, 2002

Chairman