



Report



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SWITCHING TECHNOLOGIES GÜNTHER LIMITED

20th Annual Report and Accounts 2008





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STG
SWITCHING TECHNOLOGIES
GÜNTHER LIMITED
Plots B9, B10 & C1,
Special Economic Zone (MEPZ),
Kadapperi, Tambaram,
Chennai 600 045

**Sensing
the World's
needs**

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

Bauteile und Technologie wurden sowohl an Erhaltung 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 interruzione standard o custom e sensoristica per l'industria

SWITCHING TECHNOLOGIES GÜNTHER LIMITED

Regd. Office: B9, B10 & C1, Special Economic Zone (MEPZ), Kadapperi, Tambaram, Chennai 600 045.

BOARD OF DIRECTORS	: JOHN D.ROLLO (Chairman) ROBERT P.ROMANO MICHEL VANDERVELPEN
BANKERS	: HDFC BANK LTD STATE BANK OF INDIA
AUDITORS	: R. SUBRAMANIAN AND COMPANY Chartered Accountants New No.6.(Old No.36) Krishna Swamy Avenue Luz, Mylapore Chennai - 600 004
SECRETARIAL CONSULTANT	: J.CHANDRASEKARAN Practicing Company Secretary
REGISTERED OFFICE & WORKS	: Plots B9, B10 & C1, Special Economic Zone (MEPZ) Kadapperi, Tambaram Chennai 600 045 Phone : 91-44-22628093 91-44-22628198 Fax : 91-44-22628271 email : stgindia@airtelmail.in
REGISTRAR FOR ELECTONIC CONNECTIVITY AND PHYSICAL SHARE TRANSFERS	: CAMEO CORPORATE SERVICES LTD Subramanian Building No.1,club house road, Chennai 600 002 Phone : 91-44-28460390 (5 Lines) Fax : 91-44-28460129 Email : cameosys@cameoindia.com

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Regd. Office: B9, B10 & C1, Special Economic Zone (MEPZ), Kadapperi, Tambaram, Chennai 600 045

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 20th Annual General Meeting of the members of Switching Technologies Gunther Ltd. will be held on Thursday, the 25th September, 2008 at Hotel Grand Palace, 257, G.S.T Road, Chromepet, Near MIT Gate, Chennai 600 044. at 2.30 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account and Cash Flow Statement for the year ended 31st March 2008 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. Robert P Romano who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

M/s. R. Subramanian and Company, Chartered Accountants, Chennai, Auditors of the Company hold office till the conclusion of this Annual General Meeting and are eligible for re-appointment.

Place: New Jersey, USA

Date : 30th June 2008

For and on behalf of the Board

JOHN D.ROLLO
CHAIRMAN

SWITCHING TECHNOLOGIES GÜNTHER LIMITED



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 APPOINTING 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. Members / Proxies should bring the Attendance Slips sent herewith duly filled in for attending the meeting and hand it over at the entrance.
3. Members are requested to bring their copies of the Annual Report to the meeting.
4. Members are requested to immediately intimate any change in their address registered with the Company quoting their respective Folio Number(s).
5. 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.
6. The Share transfer Register and Register of members will be closed from Tuesday, 23rd September, 2008 to Thursday 25th September, 2008 (both days inclusive)

SWITCHING TECHNOLOGIES GÜNTHER LIMITED

**DIRECTORS' REPORT**

The Board of Directors of your company present their 20th Annual Report together with the audited accounts for the year ended 31st March 2008

FINANCIAL RESULTS	Year ended 31.03.2008 (Rs.)	Year ended 31.03.2007 (Rs.)
Sales and other Income	101,854,984	99,334,941
Profit before interest and depreciation	1,726,948	5,012,922
Interest	—	—
Profit before depreciation	1,726,948	5,012,922
Depreciation	1,283,092	4,757,067
Profit before taxation and exceptional item	443,856	255,855
Exceptional item	—	—
Profit before taxation after exceptional item	443,856	255,855
Provision for taxation		
- Current	—	28,707
- Fringe benefit tax	161,784	198,675
Profit after taxation and exceptional item	282,072	28,473

PERFORMANCE OF THE COMPANY

The Sales and other income during the year was marginally higher at Rs. 101.85 million compared to Rs. 99.33 million the previous year. The company has, in the current year, written back Rs. 2.25 million Depreciation provided in excess in the past years. The Company has incurred a loss of Rs. (16.28) million before waiver and a marginal profit of Rs. 0.28 million after waiver. The Earnings (loss) per share before the waiver was Rs.(6.65) per share and after considering the waiver was Rs. 0.12 per share.

AUDITOR'S QUALIFICATION

Regarding the qualification as to "Going concern" the Company's net worth had already become positive as at 31st March 2006 and the company has earned cash profits during the last three years. The Company is taking several steps to improve the sales and profitability and hence the accounts were prepared as a going concern. Regarding employee benefits, Leave encashment and gratuity liability is provided on arithmetic basis and not funded due to cash flow difficulty. The fringe benefit tax dues were paid on 12th June 2008.

ISSUE OF PREFERENCE SHARES

Regarding the issue of zero coupon preference shares authorised by the shareholders at the extra-ordinary general meeting held on 11th March 2008, Reserve bank of India had vide its letter dated 13-06-2008 asked the company to either issue equity shares or refund the application money. The Company had again represented the matter to Reserve Bank of India to review and reconsider its decision explaining the difficulties faced by the company in complying with its direction and the same is pending with Reserve Bank of India.

SWITCHING TECHNOLOGIES GÜNTHER LIMITED

**FUTURE PROSPECTS**

The Management is taking various steps to improve the profitability of the company. However due to stiff competition and global uncertainties the company is affected and it is expected that it will take a couple of years for the company to make reasonable profits.

DEPOSITS

The Company has neither invited nor accepted any deposits during the year.

DIRECTORS

Pursuant to provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Robert P.Romano retires by rotation at the ensuring Annual General Meeting. Mr. P. Ramesh Alternate Director vacated his office on the arrival of Mr. Robert P. Romano to India on 03rd December 2007

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. R. Subramanian and Company, Chartered Accountants, Chennai retire at the conclusion of the ensuring 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. Cameo Corporate Services Limited, Chennai is handling the dematerialization of shares and share transfers – both electronic and physical.

LISTING WITH STOCK EXCHANGES

Your company's shares are listed in Mumbai Stock Exchange. The listing continued throughout the year and the listing fees due to date have been paid. Your company delisting application to Ahmedabad stock exchange was approved w.e.f 26.06.2008.

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 judgments 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 of the Company for the year.