



SWITCHING TECHNOLOGIES GÜNTHER LIMITED

23rd Annual Report and Accounts 2011

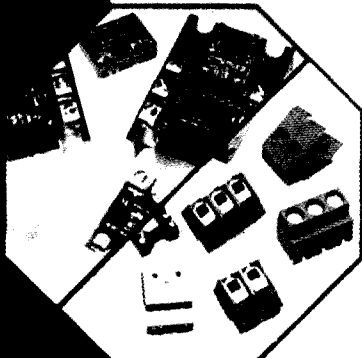
GÜNTHER AMERICA

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Clifton, NJ 07012 USA
Phone : 973-777-6900
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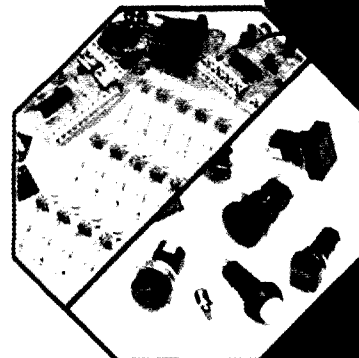
COMUS

Comus International
454 Allwood Road
Clifton, NJ 07012 USA
Phone : 973-777-6900
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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



COMUS

Comus International Bvba
Overhaamlaan 40
3700, Tongeren, Belgium
Tel : 32 12 390400
Fax : 32 12 235754
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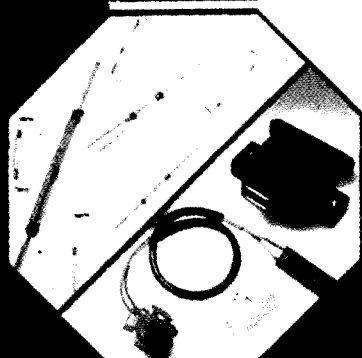
Bauteile und Technologie wurden soweit in
Einklang gebracht, daß sie sowohl für
Standard-Schalter und
Schalter-Sonderanfertigungen als auch für
Sensor-Produkte auf dem Markt angeboten
werden können

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

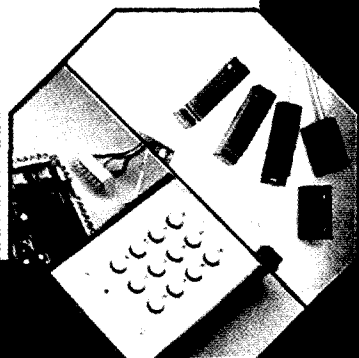
**ASSEMtech
EUROPE**

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Rice Bridge Industrial Estate
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STG

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



SWITCHING TECHNOLOGIES GÜNTHER LIMITED

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

BOARD OF DIRECTORS

: JOHN D. ROLLO (Chairman)
ROBERT P. ROMANO
MICHEL VANDERVELPEN
P. RAMESH - Managing Director

BANKERS

: HDFC BANK LTD
STATE BANK OF INDIA

REGISTERED OFFICE & WORKS

: Plots B9, B10 & C1,
MEPZ - Special Economic Zone,
Kadapperi, Tambaram,
Chennai - 600 045.
Phone : 91-44-22622460
91-44-43219096
Fax : 91-44-22628271
email : stgindia@airtelmail.in

REGISTRAR FOR ELECTRONIC 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

SWITCHING TECHNOLOGIES GÜNTHER LIMITED

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

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 23rd Annual General Meeting of the members of Switching Technologies Gunther Ltd. will be held on Thursday, the 22nd September, 2011 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 period ended 31st March 2011 and the Balance Sheet as on that date and the Reports of the Directors' and Auditor's thereon.
2. To appoint a Director in the place of Mr. Michel Vandervelpen, who retires by rotation and is eligible for reappointment.
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 the Annual General Meeting and are eligible for re-appointment subject to various terms & conditions including their acceptance of reduced professional fees, which will be offered by the company in due course.

AS A SPECIAL BUSINESS

4. To consider passing of resolution for reduction of equity share capital.

For and on behalf of the Board

Place : New Jersey, USA
Date : 28th May, 2011

JOHN D. ROLLO
Chairman

SWITCHING TECHNOLOGIES GÜNTHER LIMITED

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

NOTICE TO PREFERENCE SHARE HOLDERS

NOTICE is hereby given that the 23rd Annual General Meeting of the members of Switching Technologies Gunther Ltd. will be held on Thursday, the 22nd September, 2011 at Hotel Grand Palace, 257, G.S.T. Road, Chromepet, Near MIT Gate, Chennai - 600 044 at 2.30 p.m. on the same day the General Meeting of Preference Share Holders will also be held to transact the following business:

AS A SPECIAL BUSINESS

To consider passing of resolution to reduce the Zero Coupon Preference Share Capital to NIL.

For and on behalf of the Board

Place : New Jersey, USA
Date : 28th May, 2011

JOHN D. ROLLO
Chairman

AS SPECIAL BUSINESS
PROPOSED RESOLUTION FOR REDUCTION OF EQUITY SHARES

“RESOLVED THAT, pursuant to Section 100 to 104 and all other applicable provisions, if any, of the Companies Act, 1956 & its subsequent amendments and subject to the approval of the High Court of Judicature at Madras, The Ministry of Corporate Affairs / Company Law Board, Concerned Government Agencies, the paid up equity share capital of the Company be reduced from Rs. 24,500,000.00 (Rupees Two Crores Forty Five Lakhs only) divided into 2,450,000 equity shares of Rs. 10 each to Rs. 7,889,000.00 divided into 2,450,000 equity shares of approximately Rs. 3.22 each, which shall be effected by cancelling the equity share capital of Rs. 16,611,000.00 (Rupees One Crore Sixty Six Lakhs Eleven Thousand only) which has been lost to an extent of approximately Rs. 6.78 per equity share in each.”

“RESOLVED FURTHER THAT the accumulated losses of the Company to the tune of Rs. 16,611,000 (Rupees One Crore Sixty Six Lakhs Eleven Thousand only) be written off by cancelling the paid up equity share capital of the Company by approximately Rs. 6.78 per share.”

“RESOLVED FURTHER THAT consequential amendments be made in the capital clause of the Memorandum of Association of the Company after such reduction becomes operative and effective.”

“RESOLVED FURTHER THAT on such reduction becoming operative and effective, every share holder of the Company do surrender to the Company his / her / their old share certificate (s) in respect of the Share (s) held by them and thereupon the Company shall issue fresh share certificate (s) to the said share holder.”

“RESOLVED FURTHER THAT on such reduction becoming operative and effective, the registrar of the companies to the issue M/s. Cameo Corporate Services Ltd., will be notified accordingly to give effect to the reduction of Share Capital appropriately, in respect of the shares held by the share holders in demat form. ”

“RESOLVED FURTHER THAT on such reduction becoming operative and effective, the company shall notify the share holders suitably”.

“RESOLVED FURTHER THAT Mr. John D Rollo, Chairman and Mr. P. Ramesh, Managing Director of the company be and are hereby severally authorized to do all such acts, deeds, things and matters as may be required in this behalf.”

“RESOLVED FURTHER THAT Mr. John D Rollo, Chairman and Mr. P. Ramesh, Managing Director of STG, be and are hereby jointly or severally authorized to appear before the Court, appoint a

counsel, Company Secretary, Chartered Accountant and such other professionals as deemed fit for the purpose and sign, file, sworn any affidavit, petition, application, notices, documents, etc., on behalf of STG, in respect of company's application referred to above."

"RESOLVED FURTHER THAT the board of directors of the company and any person authorized by the board of directors, be and are hereby jointly or severally authorized to take all such steps as may be necessary or desirable and do all such acts, deeds, things and matters, as may be considered necessary to give effect to the reduction of share capital and to accept such alteration, modification and/or conditions, if any, which may be proposed, required or imposed by the Hon'ble High Court of Judicature at Madras while sanctioning the said reduction of share capital."

"RESOLVED FURTHER THAT the common seal of the Company be affixed, wherever necessary, in the presence of any directors / trustee or of any one Director and Company Secretary, who shall sign the same in the token of their presence."

"FURTHER RESOLVED THAT none of the directors are having any personal interest other than the protecting of the interest of COMPANY while passing of this resolution."

PROPOSED RESOLUTION FOR REDUCTION OF ZERO COUPON PREFERENCE SHARES

"RESOLVED THAT pursuant to Section 100 to 104 and all other applicable provisions, if any of the Companies Act, 1956 & its subsequent amendments and subject to the approval of the High Court of Judicature at Madras, The Ministry of Corporate Affairs / Company Law Board, Concerned Government Agencies as the case may be, the zero coupon preference share capital of the company be reduced from Rs. 9,817,800.00 (Rupees Ninety Eight Lakhs Seventeen Thousand Eight Hundred only) (divided into 98,178 shares of Rs.100 each) to NIL share capital by cancelling the same, as authorized by the Zero Coupon Preference Share holders vide their affidavit dated 19-07-2011."

"RESOLVED FURTHER THAT the accumulated losses of the Company to the tune of Rs. 9,817,800.00 (Rupees Ninety Eight Lakhs Seventeen Thousand Eight Hundred only) be written off by cancelling the entire 98,178 Zero Coupon Preference Share of the Company @ Rs. 100.00 per share amounting to Rs. 9,817,800.00 (Rupees Ninety Eight Lakhs Seventeen Thousand Eight Hundred only), which are authorized by the Zero Coupon Preference Share holders to be cancelled vide their affidavit dated 19-07-2011."

"RESOLVED FURTHER THAT consequential amendments be made in the capital clause of the Memorandum of Association and Articles of Association, as the case may be, of the Company after such cancellation of Zero Coupon preference shares becomes operative and effective."

“RESOLVED FURTHER THAT on such cancellation of preference shares becoming operative and effective, the preference share holders of the Company shall surrender to the Company, their share certificate (s) in respect of the Share (s) held by them.”

“RESOLVED FURTHER THAT Mr. John D Rollo, Chairman and Mr. P.Ramesh, Managing Director of the company be and are hereby severally authorized to do all such acts, deeds, things and matters as may be required in this behalf.”

“RESOLVED FURTHER THAT the board of directors of the company and any person authorized by the board of directors, be and are hereby jointly and / or severally authorized to take all such steps as may be necessary or desirable and do all such acts, deeds, things and matters, as may be considered necessary to give effect to the reduction of Zero Coupon Preference share capital and to accept such alteration, modification and/or conditions, if any, which may be proposed, required or imposed by the High Court of Judicature at Madras while sanctioning the said share reduction of zero coupon preference shares.”

“RESOLVED FURTHER THAT Mr. John D Rollo, Chairman and Mr. P.Ramesh, Managing Director of STG, be and are hereby severally authorised to appear before the Court, appoint a counsel, Company Secretary, Chartered Accountant and such other professionals as deemed fit for the purpose and sign, file, sworn any affidavit, petition, application, notices, documents, etc., on behalf of STG, in respect of company's application referred to above.”

“RESOLVED FURTHER THAT the common seal of the Company be affixed, wherever necessary, in the presence of any directors / trustee or of any one Director and Company Secretary, who shall sign the same in the token of their presence.”

“FURTHER RESOLVED THAT none of the directors are having any personal interest other than the protecting of the interest of COMPANY while passing of this resolution.”

**EXTRACTS OF THE AFFIDAVIT DATED 19-07-2011 OF
Mr. ROBERT P. ROMANO FOR AND ON BEHALF OF M/s. GUNTHER AMERICA INC.
(ZERO COUPON PREFERENCE SHARE HOLDERS)**

AFFIDAVIT EXECUTED BY Mr. ROBERT P. ROMANO

I Robert P.Romano, Son of Angelo age 73, a Christian by faith, residing at U.S.A., do solemnly swear and sincerely states as follows:

- a) I am the president of M/s. Gunther America Inc., having its registered office at 454, Allwood Road, Clifton, NJ 07012, United States. I am well aware of all the transactions pertaining to M/s.Gunther America Inc. as such I am competent to swear to this affidavit.
- b) I submit that M/s.Gunther America Inc. had invested Rs.9,817,800.00 (Rupees Ninety Eight Lakhs Seventeen Thousand Eight Hundred only) (divided into 98,178 shares of Rs.100 each) (in convertible foreign exchange), in Zero Coupon Preference Shares of Switching Technologies Gunther Ltd. (STG) having its registered office at Plot No, B9, B10, & C1 MEPZ-SEZ, Kadapperi, Tambaram, Chennai - 600045, India.
- c) I submit that, consequent to the investment made by M/s.Gunther America Inc., the STG has issued 98,178 Nos. Zero Coupon Preference Share valued at the rate of Rs.100/- per share there by amounting to Rs.9,817,800.00 (Rupees Ninety Eight Lakhs Seventeen Thousand Eight Hundred only).
- d) I submit that the Zero Coupon Preference share is due for redemption on 14.02.2014.
- e) I submit that STG is one of the subsidiaries of M/s.Comus International, having its registered office at 454, Allwood Road, Clifton, NJ 07012, United States. M/s.Gunther America Inc. is also one of the subsidiaries of M/s.Comus International.
- f) I submit that, STG is undergoing a turbulent phase and struggling for its revival / survival. The STG's accounts were being prepared on "Going Concern" by securing debt waivers from another subsidiary company M/s. Comus International Bvba, having its registered address at Comus International Bvba, Overhaamlaan 40, 3700 Tongeren, Belgium.
- g) I submit that M/s.Comus International Bvba, Belgium is not in a position to furnish any further debt waivers. The parent company i.e. Comus International, USA is also not in a position to financially or otherwise help STG. Under these circumstances, STG has to survive on its own, failing which the operations of STG may collapse in toto.
- h) I submit that the STG has shown a marked improvement in terms of productivity and profitability in previous financial years. STG could prepare its accounts on "Going Concern" without getting

debt waivers from any group companies. The STG is unable to post the profitable figures since the carried forward losses, absorbs whatever the operational profit posted by STG. Because of the loss figures in books of accounts, the STG is unable to mobilize funds from banks, financial institutions and other sources in the domestic and international markets.

- i) It has therefore become imperative that STG is helped to get rid of carried forward losses from its books of accounts. For the said purpose, STG is under the advice to approach its shareholders and the Hon'ble High Court of Judicature at Madras, to request for share reduction so that the carried forward losses are removed from the books of accounts by resorting to share capital reduction exercise.
- j) I submit that, the reduction of equity share capital alone will not be sufficient in removing the losses from books of accounts. It has therefore, become imperative to assist the STG by its promoters i.e. M/s. Gunther America Inc.
- k) I therefore submit that M/s. Gunther America Inc. has decided to waive its rights over 98,178 Nos. of Zero Coupon preference shares of Rs.100.00 each, totally amounting to Rs.9,817,800.00 (Rupees Ninety Eight Lakhs Seventeen Thousand Eight Hundred only) in its totality. M/s. Gunther America Inc. has decided to allow STG to use the entire waiver value of Zero Coupon Preference Shares to adjust against the carried forward losses of STG.
- l) I submit that the relevant extract of resolution to the above effect passed by M/s. Gunther America Inc. is attached herewith as Annexure- A .
- m) I submit that, M/s. Gunther America Inc. will have no objection of any sort whatsoever in STG's seeking approval of its shareholders, in getting the Zero Coupon Preference Shares reduced to Zero and consequent approval on the same line from Hon'ble High Court of Judicature at Madras.
- n) I further submit that, this affidavit is executed by the deponent for and on behalf of M/s. Gunther America Inc., without any undue influence or any undue favour of any sort whatsoever. This affidavit is executed by the deponent in good faith and from the facts as borne out of the records of M/s. Gunther America Inc.

In view of the foregoing, I submit that the above affidavit may be taken on record as having been authorized and legitimately executed by and on behalf of M/s. Gunther America Inc.

Dated on this 19th day of July 2011 at New Jersey.

DEPONENT

Before Me