

# **SWITCHING TECHNOLOGIES GÜNTHER LIMITED**

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

<b>BOARD OF DIRECTORS</b>	<b>:</b>	<b>JOHN D.ROLLO(Chairman)</b> <b>ROBERT P.ROMANO</b> <b>MICHEL VANDERVELPEN</b> <b>P RAMESH - Managing Director</b>
<b>BANKERS</b>	<b>:</b>	<b>HDFC BANK LTD</b> <b>STATE BANK OF INDIA</b>
<b>REGISTERED OFFICE &amp; WORKS</b>	<b>:</b>	Plots B9, B10 & C1, MEPZ- Special Economic Zone Kadapperi, Tambaram Chennai - 600 045 Phone : 91-44-22622460 91-44-43219096 Fax : 91-44-22628271 e-mail : stgindia@airtelmail.in
<b>REGISTRAR FOR ELECTRONIC CONNECTIVITY AND PHYSICAL SHARE TRANSFERS</b>	<b>:</b>	<b>CAMEO CORPORATE SERVICES LTD</b> Subramanian Building No.1, Club House Road, Chennai - 600 002 Phone : 91-44-28460390 (5 Lines) Fax : 91-44-28460129 e-mail : cameosys@cameoindia.com



## NOTICE TO THE MEMBERS

NOTICE is hereby given that the 24th Annual General Meeting of the members of Switching Technologies Gunther Ltd. will be held on Thursday, the 27th September, 2012 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 2012 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. Robert P. Romano, who retires by rotation and is eligible for reappointment.
3. To appoint Auditors and to fix their remuneration.

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

For and on behalf of the Board

Place : New Jersey, USA

**JOHN D.ROLLO**

Date : 30th May 2012

Chairman

### 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 the 25th September, 2012 to Thursday, 27th September, 2012 (both days inclusive)



## DIRECTORS' REPORT

The Board of Directors of your company presents their 24th Annual Report together with the audited accounts for the financial year ended 31st March 2012.

<b>FINANCIAL RESULTS</b>	<b>Year ended 31.03.2012 (₹)</b>	<b>Year ended 31.03.2011 (₹)</b>
Sales and other Income	<b>126,813,072</b>	99,602,571
Profit before interest and Depreciation	<b>4,408,916</b>	1,184,638
Interest	--	--
Profit before depreciation	<b>4,408,916</b>	1,184,638
Depreciation	<b>1,309,413</b>	1,248,653
Profit before taxation and exceptional item	<b>3,099,502</b>	(64,015)
Exceptional item	--	--
Profit before taxation after exceptional item	<b>3,099,502</b>	(64,015)
Provision for taxation		
- Current	--	--
- Fringe benefit tax	--	--
Profit / (Loss) after taxation and exceptional item	<b>3,099,502</b>	(64,015)

## PERFORMANCE OF THE COMPANY

The Sales and other income during the year had considerably increased to ₹126.81 million compared to ₹99.60 million during the year ended 2011. Your company is proud to present much better result due to introduction of various cost cutting measures, productivity enhancement measures and scrap generation control measures.

Your company is also proud to present the financial figures without obtaining any debt waivers or otherwise, from its parent group to prepare the accounts on Going Concern basis, which was otherwise, a customary practice in past. This itself will be proving the efficiency, effectiveness and pro-active commitment of the present management. The present management is confident of moving further forward to convert the company into profitable position in near future.



### **AUDITOR'S QUALIFICATION**

It is our pleasure to inform all the August Members that your auditors have not qualified any transaction. Your auditors have prepared and presented the accounts of the company as "Going Concern". The Leave Encasement and Gratuity Liability in respect of the employees of the company have been made on the basis of Actuarial Valuation as mandated under Accounting Standard AS-15.

### **FUTURE PROSPECTS**

Your company has drawn out a strategic plan to increase the production of its products. Your company is also striving hard to increase its presence in the Reed Switches based sensor products in the global market.

However, these strategic plans gets hit due to extraneous factors which are beyond the control of your company i.e. severe recession in the European market on one hand which results in near negligible order position, wherein your company's products are marketed and severe shortage of electricity inside the MEPZ wherein your company is located. This apart, the volatile upward increase in the cost of raw materials which mainly consists of Gold and Rhodium is leaving a huge adverse impact.

Despite the above obstacles, your company is committed to increase its production and presence in the global market in the near future.

### **SHARE REDUCTION**

Your company had initiated the process of proportionate reduction of equity and zero coupon preferential shares in the year 2011, to get rid of the chronic carried forward losses, so that your company could secure / mobilize the funds from the market.

However, your company was given the legal & financial advise to stop the process in view of highly volatile exchange fluctuation and volatile economic scenario. Accordingly, your company had stopped and withdrawn the process of getting approval of statutory and judicial authorities.

### **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 ensuing Annual General Meeting.

### **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.



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## **COMPLIANCE CERTIFICATE UNDER SECTION 383A OF THE COMPANIES ACT, 1956**

The Compliance Certificate under Section 383A of the Companies Act, 1956 from Mrs. K.J.Lakshmi, Practicing Company Secretary is annexed to this report.

### **AUDITORS**

Auditors of the Company, M/s. M.L.Srinivasan & Associates, Chartered Accountants, Chennai 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. 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.

### **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.
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.



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**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 there under relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in the Notes, forming part of this report.

**ACKNOWLEDGEMENT**

The directors thank authorities of Madras Export Processing Zone, Reserve Bank of India, State Bank of India, HDFC Bank for the guidance and assistance rendered to the company and the employees for their effort and co-operation.

For and on behalf of the Board

Place : New Jersey, USA

**JOHN D.ROLLO**

Date : 30th May 2012

CHAIRMAN

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**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:**

Presently the Company does not have a technical collaboration.

**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 ₹1233.10 lacs. Foreign exchange outgo on account of Imported Raw Materials, Stores and Capital Goods was ₹693.43 lacs whereas expenditure in foreign currency on account of Interest was ₹ Nil.

For and on behalf of the Board

Place : New Jersey, USA

**JOHN D.ROLLO**

Date : 30th May 2012

CHAIRMAN



## COMPLIANCE CERTIFICATE

Name of the Company : SWITCHING TECHNOLOGIES GÜNTHER LIMITED  
CIN of the Company : L29142TN1988PLC015647  
Authorized Capital : ₹ 60,000,000/-  
Paid-up Capital : ₹ 34,317,800/-

To

The Members

MESSRS. SWITCHING TECHNOLOGIES GÜNTHER LIMITED

Plot B9,B10 & C1 Madras Export Processing Zone,

Kadapperi, Tambaram, Chennai - 600045

I have examined the registers, records, books and papers of SWITCHING TECHNOLOGIES GUNTHER LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2012. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities.
3. The Company is a Public limited Company and has the minimum prescribed paid up capital.
4. The Board of Directors duly met Six (6) times on 28th May 2011, 29th July 2011, 25th August 2011, 19th September 2011, 28th October 2011 and 27th January 2012 in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

5. The Company has closed its Register of Members from 20.09.11 to 22.09.11 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2011 was held on 22nd September 2011 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra ordinary General meeting(s) was held during the financial year.
8. As per the information provided, the Company has not advanced any loans or given any guarantees or provided any securities to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. As per the information provided, the Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. As per the information provided, the Company has not issued any duplicate share certificates during the financial year ended 31st March, 2012.
13. The Company:
  - (i) has delivered all the certificates on transfer in accordance with the provisions of the Act. The company has not effected any allotment of securities during the financial year ended 31st March, 2012.
  - (ii) has not declared any dividend and was not required to deposit any amount in a separate Bank Account within five days from the date of declaration of such dividend.
  - (iii) was not required to pay/post warrants for dividends to all the members.
  - (iv) has no unpaid/ unclaimed dividend to be transferred to unpaid dividend account /Investor Education and Protection Fund.
  - (v) has not issued any shares or debentures and has not accepted any deposits and hence the question of transfer of application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a financial year of seven years to Investor Education and Protection Fund does not arise.
  - (vi) has complied with the requirements of section 217 of the Act.



14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Director(s)/ Alternate director(s), and directors to fill casual vacancy during the financial year.
15. The Company has appointed Mr. P Ramesh as Managing Director with effect from 28th March 2009 in accordance with the provisions of Section 269 and continues to hold office during the year. The Company has not appointed any Whole time Director/ Manager during the financial year ended 31st March, 2012.
16. The Company has not appointed any sole selling agents during the financial year ended 31st March, 2012.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director and / or such authorities prescribed under the various provisions of the Act during the financial year ended 31st March, 2012.
18. The directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year ended 31st March, 2012.
20. The Company has not bought back any shares during the financial year ended 31st March, 2012 and hence the question of complying with the buy back provisions does not arise.
21. The Company has not redeemed preference share capital during the financial year under review. The company has not issued debentures and hence the question of redemption of debentures does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the financial year ended 31st March, 2012.
24. As per the information provided and as per the Auditor's report, the amount borrowed from directors, members, public, financial institutions, banks and others during the financial year ending 31st March 2012, are within the borrowing limits of the company.
25. The Company has not made loans and investments, or given guarantees or provided securities to other bodies corporate.



26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's Registered Office from one State to another during the financial year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the financial year under scrutiny and complied with provisions of the Act.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the financial year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to the Share capital of the Company during the financial year under scrutiny and complied with the provisions of the Act.
30. The Company has not altered its Articles of Association during the financial year ended 31st March, 2012.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year ended 31st March, 2012.
33. The Company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under Section 418 of the Act.

**K.J.Lakshmi**

Place : Chennai  
Date : 03-06-2012

Company Secretary in Practice  
Mem No: 21246; CP No: 7786