



SWITCHING TECHNOLOGIES GÜNTHER LIMITED

26th Annual Report and Accounts 2014



454, Allwood Road
Clifton, NJ 07012 USA
Phone : 973-777-6900
Fax : 973-777-8405
Email : comusintl@aol.com



Switching Technologies Gunther Limited
Plots B9 & B10
Special Economic Zone (MEPZ)
Kadapperi, Tambaram
Chennai – 600 045.
Tel : (91) (44) 4321 9096,
(91) (44) 2262 2460
Fax : (91) (44) 2262 8271
Email : stgindia@stg-india.com
Website : www.stg-india.com



Comus International
454, Allwood Road
Clifton, New Jersey 07012 USA
Phone : (1) 973-777-6900
Fax : (1) 973-777-8405
Email : info@comus-intl.com
Website : www.comus-intl.com



Comus International Bvba
Overhaamlan 40
B-3700 Tongeren, Belgium
Tel : (0) 32 12 390400
Fax : (0) 32 12 235754
Email : info@comus.be
Website : www.comus.be



Comus Europe Limited
Unit 7, Rice Bridge Industrial Estate
Thorpe-Le-Soken, Essex, England
C016 OHL
Tel : (0) 44 1255 862236
Fax : (0) 44 1255 862014
Email : sales@comuseurope.co.uk
Website : www.comuseurope.co.uk

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 soweit in
Einklang gebracht, daß 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 tecnologia opportunamente
uniti per offrire interruttori standard o custom
e sensoristica per industria



Comus Technology BV
Jan Campertstraat 11
6416 SG Heerlen
The Netherlands
Tel : (0) 31 45 5439345
Fax : (0) 31 45 5427216
Email : info@comus-intl.com
Website : www.dry-reeds.com



Comus Electronics and
Technologies India Private Ltd
No. 31/33 Anjugam Nagar
2nd Street, Ashok Nagar,
Chennai - 600083, Tamil Nadu, India
Tel : + 91 44 42023510, 42319092
Email : sales@comusindia.com
Website : www.comusindia.com

SWITCHING TECHNOLOGIES GÜNTHER LIMITED

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

CIN No. L29142TN1988PLC015647

BOARD OF DIRECTORS : **JOHN D.ROLLO - Chairman**
ROBERT P.ROMANO - Director
P. RAMESH - Managing Director

BANKERS : **HDFC BANK LTD**
STATE BANK OF INDIA

REGISTERED OFFICE & WORKS : Plots B9 & B10
MEPZ- Special Economic Zone
Kadapperi, Tambaram
Chennai - 600 045
Phone : 91-44-22622460
91-44-43219096
Fax : 91-44-22628271
e-mail : stgindia@stg-india.com
CIN No. : L29142TN1988PLC015647

REGISTRAR FOR : **CAMEO CORPORATE SERVICES LTD**
ELECTRONIC CONNECTIVITY AND Subramanian Building
PHYSICAL SHARE TRANSFERS 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 26th Annual General Meeting of the members of Switching Technologies Gunther Ltd. will be held on Thursday, the 25th September, 2014 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 Statement of Profit and Loss Account and Cash Flow Statement for the period ended 31st March 2014 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. John D.Rollo who retires by rotation. The retiring director is eligible for reappointment.
3. To appoint Auditors and to fix their remuneration.

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

For and on behalf of the Board

Place : New Jersey, USA

JOHN D.ROLLO

Date : 30th May 2014

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. AS PER COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 READ WITH CHAPTER VII OF THE COMPANIES ACT, 2013, THE SHAREHOLDERS OF THE COMPANY ARE REQUESTED TO FURNISH THEIR INFORMATION AS PER PROXY FORM ENCLOSED HERewith (Refer Page No.39) AND ARE REQUESTED TO SUBMIT THE SAME WITH CAMEO CORPORATE SERVICES LTD – RTA OF SWITCHING TECHNOLOGIES GUNTHER LIMITED ON OR BEFORE 31st DECEMBER 2014.
4. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

5. Members are requested to bring their copies of the Annual Report to the meeting.
6. Members who hold shares in dematerialized form are requested to write their client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
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.
9. The Share transfer Register and Register of members will be closed from Tuesday the 23rd September, 2014 to Thursday, 25th September, 2014 (both days inclusive)
10. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
11. In companies with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company is pleased to provide the Members the facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by CDSL.

Details and Instructions for E-voting are enclosed along with the Notice.

E-VOTING INSTRUCTIONS

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 19th September 2014 at 9.30 a.m. and ends on 21st September at 5.30 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14th August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. (Sequence number has been provided as Serial Number (SL NO.) in the Address Label) In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein

they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for SWITCHING TECHNOLOGIES GUNTHER LIMITED on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

DIRECTORS' REPORT

The Board of Directors of your company presents their 26th Annual Report together with the audited accounts for the financial year ended 31st March 2014.

FINANCIAL RESULTS

	Year ended 31.03.2014 (₹)	Year ended 31.03.2013 (₹)
Sales and other Income	165,149,751	118,279,557
Profit before interest and Depreciation	11,666,823	3,643,836
Interest	--	--
Profit before depreciation	11,666,823	3,643,836
Depreciation	1,310,192	1,306,298
Profit before taxation and exceptional item	10,356,630	2,337,538
Exceptional item	--	--
Profit before taxation after exceptional item	10,356,630	2,337,538
Provision for taxation		
– Current tax	25,53,000	--
– Deferred tax	33,126	--
Profit / (Loss) after taxation and exceptional item	7,770,504	2,337,538

PERFORMANCE OF THE COMPANY

The Sales and other income during the year had considerably increased to ₹. 165.15 million compared to ₹. 118.28 million during the year ended 2013. 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, 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.

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 Encashment 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.

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. John D. Rollo 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.

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

The Compliance Certificate under Section 383A of the Companies Act, 1956 from Mr.G.Sreenivasa Rao, 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 BSE Ltd. (Bombay 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.