



**SWITCHING  
TECHNOLOGIES  
GUNTHER LTD.**

REGISTERED OFFICE & WORKS :  
B-9 & B-10, Special Economic Zone (MEPZ)  
Kadapperi, Tambaram, Chennai- 600 045.  
Phone: 4321 9096/226 22460  
Fax : 91 - 44 - 22628271  
E - Mail : stgindia@stg-india.com  
CIN : L29142TN1988PLC015647  
GSTIN : 33AAACS5033J1ZL

465

Ref: BSE/SEC/465/2019

// Through BSE Listing Centre Online//

Date: 09/09/2019

The Corporate Relationship Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001

BSE CODE: 517201

Dear Sir/Madam,

Sub: Soft Copy of the Annual Report of the Company for the year ended 31<sup>st</sup> March, 2019

Pursuant to the applicable provisions of the SEBI (LODR) Regulations, 2015, we hereby attach the soft copy of the Annual Report of the Company for the year ended 31<sup>st</sup> March, 2019 for your records.

Thanking You,

Yours faithfully,

For SWITCHING TECHNOLOGIES GUNTHER LIMITED

S.Ramesh  
Company Secretary



**SWITCHING TECHNOLOGIES GÜNTHER LIMITED**

**31st Annual Report and Accounts 2019**





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)  
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Chennai – 600 045.  
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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



Computer Components, Inc  
18-B Kripes Rd.  
P.O. Box 1378  
East Granby, CT 06026  
Tel : (0) 860-653-9909  
Fax : (0) 860-653-9901  
Email : info@relays-unlimited.com  
Website : www.relays-unlimited.com



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

Assemblaggio 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. 7A, Subalakshmi Nagar  
Thirumudivakkam  
Chennai - 600 132, Tamil Nadu, India  
Tel : +91 44 24783466, 43219092  
Email : sales@comusindia.com  
Website : www.comusindia.com

# SWITCHING TECHNOLOGIES GÜNTHER LIMITED

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

CIN No. L29142TN1988PLC015647

- BOARD OF DIRECTORS** : **JOHN D.ROLLO – Chairman**  
**P.RAMESH - Managing Director**  
**ROBERT P.ROMANO – Director**  
**A.JEYA GANESAN MUTHIAH - Director**  
**MARY PATRICIA GALASSO - Director**
- COMPANY SECRETARY** : **S.RAMESH**
- CHIEF FINANCIAL OFFICER** : **C.CHANDRACHUDAN**
- BANKERS** : **HDFC BANK LTD**  
**STATE BANK OF INDIA**
- REGISTERED OFFICE & WORKS** : Plots B9 & B10  
Special Economic Zone (MEPZ)  
Kadapperi, Tambaram  
Chennai - 600 045  
Phone : 91-44-22622460  
91-44-43219096  
e-mail : [stgindia@stg-india.com](mailto:stgindia@stg-india.com)  
Website : [www.switchingtechnologiesguntherltd.com](http://www.switchingtechnologiesguntherltd.com)  
CIN No. : L29142TN1988PLC015647
- 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  
e-mail : [cameosys@cameoindia.com](mailto:cameosys@cameoindia.com)
- STATUTORY AUDITOR** : **M/s. M.L.Srinivasan & Associates**  
Chartered Accountants  
No. B4 Ceebros Rangam Apts  
11, Cenotaph Road, Teynampet, Chennai - 600 018
- LEGAL CONSULTANTS** : **M/s. K.V.Bhashyam Chari & Associates**  
Advocate  
Plot No.92-B, Sree Nagar  
6th Cross Street, Kattupakkam, Chennai - 600 056



## List of Top 10 Share holders as on 31/03/2019

Sl. No.	Name of the Shareholder	No. of Shares Held	Folio / Client ID
1.	GUNTHER AMERICA INC	15,00,000	IN301313/21095208
2.	BJD SECURITIES PRIVATE LIMITED	46,753	IN303028/52580270
3.	BHARAT JAMNADAS DATTANI	37,182	IN302679/33064622 IN300159/10566798 IN300159/10739223
4.	KISHAN LAL MITTAL	26,900	IN301160/30051403
5.	BHARATI BHARAT DATTANI	26,082	IN302902/43127956 IN300159/10739289
6.	RADHEY SHYAM MITTAL	26,003	IN301160/30045451 00018330 00018008
7.	MADHU BALA MITTAL	25,671	12017701/00019602 00018032
8.	RADHEY SHYAM MITTAL (HUF)	25,173	12017701/00170576
9.	ADITYA MITTAL	25,100	12017701/00887318
10.	APEKSHA MITTAL	25,000	12017701/00810533



## NOTICE TO THE MEMBERS

NOTICE is hereby given that the 31st Annual General Meeting of the Members of Switching Technologies Gunther Ltd. will be held on Thursday, the 26th September, 2019 at Hotel Grand Palace, 257, G.S.T Road, Chrompet, Near MIT Gate, Chennai 600 044 at 2.30 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2019 together with Reports of the Board of Directors' and Auditors thereon.
2. To appoint a Director in place of Sri. Jeya Ganesan Muthiah, Executive Director (DIN 07211705) who retires by rotation and being eligible, offers himself for re-appointment.

"RESOLVED THAT Sri. Jeya Ganesan Muthiah, Executive Director (DIN: 07211705) who retires by rotation and being eligible be and is hereby re-appointed as Executive Director of the Company whose office shall be liable to retirement by rotation.

### SPECIAL BUSINESS

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and the rules made there under and read with Reg. 17(1) (a) of SEBI (LODR) Reg. 2015 as amended from time to time, the consent of the shareholders of the Company be and is hereby accorded for continuance of Mr. Robert P Romano and Ms. Mary Patricia Galasso as Independent Directors (Non-Executive) of the Company after attaining the age of seventy five years."

"RESOLVED FURTHER THAT any of the Directors, of the Company be and are hereby severally authorised to do all such acts, deeds, things and take all steps as they may think fit and proper for giving effect to these resolutions including filing prescribed form with the Registrar of Companies, Chennai, in this regard."

For and on behalf of the Board

Place : Chennai  
Date : 23rd May 2019

**S. RAMESH**  
Company Secretary



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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

The Board recommends resolution under Item No.03 to be passed as an ordinary resolution.

**Item No.03**

Mr. Robert P Romano (DIN:01181745) and Ms. Mary Patricia Galasso (DIN:07204427) are currently the Independent Directors of the Company having rich experience of more than two decades in the field of Production and Administration respectively. According to the applicable provisions of the Companies Act, 2013, and the rules made there under and read with Reg. 17(1) (a) of SEBI (LODR) Reg. 2015 as amended from time to time, if a person who has attained the age of seventy five years has to be appointed/re-appointed has to get the approval of the shareholders by way of passing a special resolution. Considering their active participation in managing the affairs of the Company even at this age, the Board is of the opinion that due to their rich experience in the field of production and administration respectively it is necessary in the best interests for them to continue in the company.

None of the Directors of the company are concerned or interested in this resolution.

The Board recommends resolution under Item No.03 to be passed as a special resolution.

**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 or its Registrar and Share Transfer Agents these folios to enable the Company to consolidate all such shareholdings into one folio.

The Share Transfer Register and Register of Members will be closed from Friday the 20th September 2019 to Thursday the 26th September, 2019 (both days inclusive).

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Monday, the 23rd September, 2019 at 09.00 a.m. and ends on Wednesday, the 25th September, 2019 at 5 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 19.09.2019, 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](http://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](http://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.

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>• 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</li> </ul>
	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both 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 (iv).</li> </ul>

- (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 the relevant <Company Name> 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) 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](http://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](mailto:helpdesk.evoting@cdslindia.com).



- After receiving the login details 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 linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- (xx) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Members who do not cast their vote through e-voting during the e-voting period shall be allowed to cast their vote at the AGM through ballot paper. Members who have voted through e-voting can attend the meeting but cannot vote again through ballot paper at AGM.

The result of voting will be announced at the AGM venue on the date of AGM itself.

Mr. K.V.Bhashyam Chari, Advocate has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three (3) days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, forthwith to the Chairman of the Company. After all the items of the notice have been discussed, the Chairman may order poll in respect of items for which demand may be raised by the members present or on its own. If demanded or otherwise, Poll will be conducted and supervised under the Scrutinizer appointed for e-voting as stated above. After conclusion of the poll, the Chairman may declare the meeting as closed. The results of the poll aggregated with the results of remote e-voting will be announced by the Company at Hotel Grand Palace, 257,G.S.T Road, Chromepet, Near MIT Gate, Chennai 600 044, by the Chairman of the Meeting at the AGM. Further, the result of the voting will be placed on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) and also informed to the stock exchanges where the securities of the Company are listed within two (2) days of the AGM.



None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

For and on behalf of the Board

Place : Chennai

**S. RAMESH**

Date : 23rd May 2019

Company Secretary

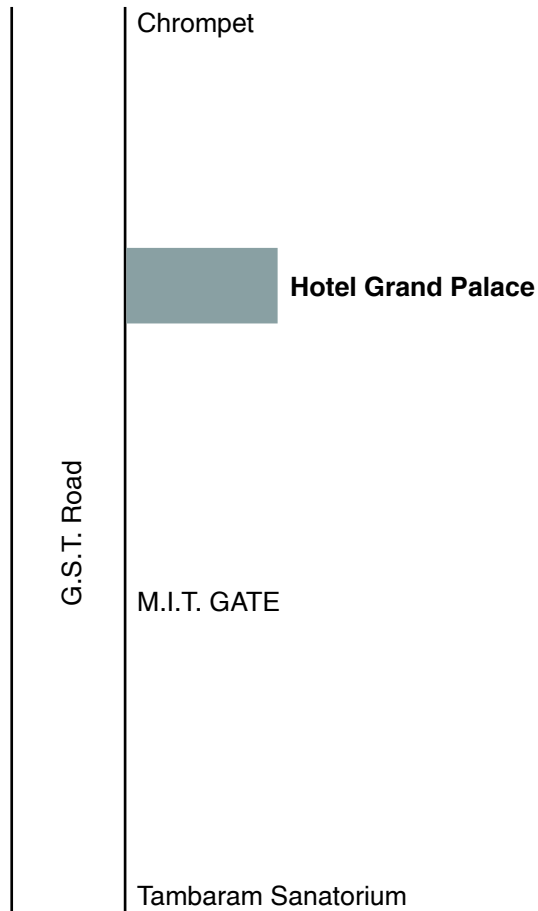
Brief Resume of Directors/persons seeking appointment/ re-appointment at this Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

<b>Name of the Director</b>	<b>Date of Birth</b>	<b>Nationality</b>	<b>Date of Appointment</b>	<b>Shareholding in the Company</b>	<b>Qualification</b>	<b>Expertise in specific functional area</b>	<b>Directorships held in other companies</b>	<b>Chairmanships/ Memberships of Committees in other companies</b>
Mr. A.Jeya Ganesan Muthiah DIN: 07211705	25.05.1966	Indian	24/09/2015	Nil	B.Tech	Production	Nil	Nil
Mr. Robert P Romano DIN: 01181745	29.04.1938	American	08/11/1995	NIL	10th Grade	Production	Comus Electronics & Technologies Pvt.Ltd.	Nil
Ms. Mary Patricia Galasso DIN: 07204427	18.11.1940	American	24/09/2015	NIL	HSC	Administration	Nil	Nil



## Route Map to the AGM Venue

**Venue:** Hotel Grand Palace, 257,G.S.T Road, Chrompet, Near MIT Gate, Chennai - 600 044



**Land Mark:** Near M.I.T. Gate



## BOARD'S REPORT

The Board of directors of your Company take pleasure in presenting the 31st Annual Report together with the Audited Financial Statements for the year ended 31st March 2019.

### FINANCIAL RESULTS

	Year ended 31.03.2019 (₹)	Year ended 31.03.2018 (₹)
Sales and other Income	<b>186,744,291</b>	156,228,984
Profit before interest and Depreciation	<b>6,497,612</b>	576,648
Interest	-	-
Profit before depreciation	<b>6,497,612</b>	576,648
Depreciation	<b>1,384,897</b>	1,372,596
Profit before taxation and exceptional item	<b>5,112,715</b>	(795,948)
Exceptional item	-	-
Profit before taxation after exceptional item	<b>5,112,715</b>	(795,948)
Provision for taxation	-	-
– Current tax	<b>347,844</b>	-
– Deferred tax	-	-
Profit / (Loss) after taxation and exceptional item	<b>4,764,871</b>	(795,948)

### EXTRACT OF ANNUAL RETURN

An extract of the Annual Return in Form MGT-9 is annexed as Annexure-D to the Report.

### PERFORMANCE OF THE COMPANY

The Sales and other income during the year had increased to 186.744 million in the FY ending 31st March 2019 compared to the decrease in sales income by 156.228 million during the FY ended 31st March 2018. Thus the company has made an operational profit during the financial year under reporting. Your company has incurred an operational profit of ₹ 4,764,871 despite recession in European Market, over which your company's management had no control. Nevertheless, your company is proud to present the results on "Going Concern" basis due to introduction of various cost cutting measures, productivity enhancement measures and scrap generation control measures.



The management's tight efficiency, effectiveness and pro-active commitment and control of cost measures and other related activities helped the present management to keep the losses at lower end. The present management is confident of moving further forward to convert the company into profitable position yet again in the ensuing future.

#### **DEPOSITS**

During the year under review, the Company has not accepted any deposits in terms of the provisions of Companies Act 2013 or Chapter V thereunder. This disclosure is made as required under Rule 8(5)(v) of Chapter IX of the Companies Act, 2013.

#### **DIVIDEND:**

Your company has not declared any dividend for the Financial Year 2018-19, since the company has to fund the repair & maintenance cum replacement of plant and machineries which are more than 37 years old now, to keep pace with the latest technologies. It will not be out of place to mention herein on record that, your company has managed to overcome the loss position of the previous FY 2017-18 and managed to generate operational profit of ₹ 4,764,871 in the FY 2018-19.

Hence, your Directors did not recommend any dividend on equity shares for the year under review.

#### **TRANSFER TO RESERVES (Section 134 (3)(j))**

An amount of ₹ 4,764,871 is transferred to Reserves during the year.

#### **MATERIAL CHANGES AND COMMITMENTS FROM THE DATE OF FINALISATION OF ACCOUNTS**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year and the date of Report.

#### **HOLDING COMPANY DETAILS**

Your Company is a Subsidiary of M/s Gunther America Inc which holds 61.22% of Equity shares in your company. Your Company doesn't have any subsidiary company.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

The details pertaining to the Management Discussion and Analysis have been given as Annexure A to this Report.

#### **FUTURE PROSPECTS/FINANCIAL POSITION**

Your company had broken even and made profit during FY 2014-15. Unfortunately, in FY 2015-16, your company incurred loss due to non receipt of expected sales orders. The recession in European markets continued for the products of your company. Hence, due to non receipt of sales orders, your company continued to incur loss in the FY 2016-17 and 2017-18 respectively. Further,



the operational loss for the FY 2017-18 increased due to unforeseen exchange fluctuation loss and depreciation losses besides reduced sales orders in the European market due to ongoing recession. Nevertheless, your company continued to focus on the good work being done on operational side, cost cutting measures and increasing the productivity. Your company had added new products in product departments which enabled the company to continue earning revenue despite the fact that there was near nil demand for reed switches which is the back bone of your company. Your company had worked out various measures to upgrade the machineries and equipment by adopting itself to latest technologies during the year under review. All these steps had resulted in presenting of operational profit of ₹ 47,64,871 during the FY 2018-19 under reporting.

#### **MANUFACTURING FACILITIES IN YOUR COMPANY**

The company is into the manufacturing of Electronic components viz. Reed Switches, Proximity Sensors, Ball Switches, etc.

In this regard the specialist machineries like automatic sealing machines called as Badalex and semi-automatic Sealing machines, Bihler Press, automatic and manual Plating line besides ancillary equipments are used in various process departments.

#### **RESEARCH & DEVELOPMENT**

No major Research and development activities are carried out except for a Minor Research & Development in the Badalex and Semi automatic departments to keep pace with technological up-gradation.

#### **INFORMATION SYSTEMS**

Your Company has adequate and proper information systems in place and it has taken proper measures to safeguard all electronic data and information to the best possible level it can.

#### **BUSINESS RESPONSIBILITY REPORT**

The details pertaining to Business Responsibility have been given in Annexure B to this Report.

#### **DIRECTORS**

There were no changes in respect of the appointment or resignation of directors during the year under review. None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors. Pursuant to the applicable provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Jeya Ganesan Muthiah, Executive Director, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.



### **KEY MANAGERIAL PERSONNEL**

Mr. P. Ramesh, Managing Director and Mr. A. Jeya Ganesan Muthiah are the Key Managerial Personnel as mandated by the provisions of Section 203 of the Companies Act, 2013.

The Company had appointed Mr. S.Ramesh, ACS (KMP) as Whole Time Company Secretary on 1st April, 2019 and Mr. C.Chandrachudan (KMP) as Chief Financial Officer of the Company with effect from 1st April, 2019.

### **SECRETARIAL AUDIT REPORT**

Your Company has appointed M/s. GSR & Co., Company Secretaries in Whole Time Practice, as Secretarial Auditor of the Company to give Secretarial Audit Report for FY 2018-19. As per the provisions of section 204 of the Companies Act, 2013, the Secretarial Audit Report from M/s. GSR & Co., Company Secretaries, has been obtained and the same is attached as Annexure F to this report.

### **STATUTORY AUDITORS**

Statutory Auditors of the Company, M/s. M.L. Srinivasan & Associates, Chartered Accountants, Chennai have been appointed for a period of five years commencing from 1st April, 2016 till 31st March, 2021 subject to ratification every year in the Annual General Meeting. Their continuation as statutory auditor for FY 2019-20 is to be ratified at this Annual General Meeting as per the provisions of section 139 of the Companies Act, 2013. A certificate from the Auditors has been received to the effect that their Re-appointment, if made, would be within the prescribed limits.

### **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 on "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.

### **INTERNAL AUDITORS**

Pursuant to Section 138 (1) of the Companies Act, 2013, the Company has re-appointed M/s. R.R. Prakash & Associates, Chartered Accountants, Chennai (M.No.204374) to conduct Internal Audit of the functions and activities of the Company for the FY 2018-19. The Internal Auditor reports to the Managing Director and provides clarifications, if any, that may be required by the Directors.

### **COST AUDITOR**

Your Company has re-appointed Mr. CMA.John D. Nevin as Cost Auditor of the Company under the provisions of the Companies Act, 2013 for FY 2018-19.





## **AUDIT COMMITTEE**

The Audit Committee of your company consisted of 3 Directors as at 31st March, 2019. The members of the Audit Committee are Mr. John D. Rollo, Mr. P.Ramesh and Ms. Mary Patricia Galasso. The Audit Committee met 4 times on 10th May, 2018, 15th July, 2018, 22nd October, 2018 and 21st January, 2019. The Audit Committee has reviewed the unaudited Quarterly and Audited Yearly Accounts for the FY 2018-19.

## **POLICY TO PREVENT SEXUAL HARASSMENT AT WORK PLACE**

Your Company is committed to creating and maintaining an atmosphere in which employees can work together without fear of sexual harassment, exploitation or intimidation. The Company has zero tolerance for sexual harassment at workplace and has put in place an adequate system for safeguarding the dignity of women employees on complaints, if any received and provide justice to the affected employees without delays required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('Act'). No complaints were received by the committee during the year under review. Since the number of complaints filed during the year was NIL, the Committee prepared a NIL complaints report. This is in compliance with section 22 of the Act.

## **PERSONNEL**

The industrial relations continued to remain cordial throughout the period under review.

## **DEPOSITORY SYSTEM**

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. M/s.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. Listing fees have been paid up to date.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the requirements of Section 134 of the Companies Act, 2013, the Directors confirm that:

- a) In the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- b) 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.

- c) 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.
- d) The Annual Accounts have been prepared on a 'Going Concern' basis.
- e) The proper policies and procedures have been adopted for ensuring the orderly and efficient conduct of its business, including adherence to code of conduct and policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information and that such policies and procedures are adequate and were operating effectively.
- f) Proper systems are in place to ensure compliance of all laws applicable to the Company and that such systems are adequate and operating effectively.

#### **CORPORATE GOVERNANCE**

As required by the existing clause 49 of the Listing Agreements with the Stock Exchanges, a detailed report on Corporate Governance is included in the Annual Report. The Auditors have certified the Company's compliance of the requirements of Corporate Governance in terms of clause 49 of the Listing Agreement and the same is annexed to the Report on Corporate Governance

#### **DISCLOSURES AND INFORMATION UNDER THE COMPANIES ACT, 2013**

**Pursuant to section 134 and any other applicable section of the Companies Act, 2013 (the Act), following disclosures and information is furnished to the shareholders:**

- (a) Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo is annexed as 'Annexure C' to this Report gives information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo, required under Section 134(3)(m) of the Companies Act, 2013, and forms a part of the Board's Report.
- (b) Annual return  
The extracts of the annual return as provided under sub section (3) of Section 92 of the Act is given in Form No. MGT 9 as 'Annexure D', attached and forms a part of this report.



## (c) Board meetings

The Board of Directors of your Company met 07 times during the year under review.

S.No.	Name	Number of Board Meetings held during the year 2017-18	Number of Board Meetings attended during the year 2017-18
1	Mr. Robert P. Romano	7	6
2	Mr. John D. Rollo	7	7
3	Ms. Mary Patricia Galasso	7	6
4	Mr. P.Ramesh	7	1
5	Mr. A.Jeyaganesan Muthiah	7	1

The above information is provided in the Corporate Governance Report as well.

## (d) Particulars of Loans received from Directors and/or their relatives:

The company has not received any loans from any of its directors or their relatives during the period under review.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS OR SECURITIES PROVIDED UNDER SECTION 186 AND THE PURPOSE FOR WHICH THEY WOULD BE UTILIZED BY THE RECIPIENTS. Section 134(3)(g) -**

Your Company has not lent any loan or made any investments or given any guarantees to any other entity/ body corporate. As such no disclosure is required to be made in this Report and also in the relevant Registers.

**(e) Related Party Transactions**

All related party transactions entered into by your Company during the financial year were at arm's length and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable. Attention of members is also drawn to the disclosure of transactions with related parties set out in Notes to Accounts in the Independent Auditors' Report forming part of the Annual Report. None of the Directors had any pecuniary relationships or transactions vis-à-vis the Company.

**(f) Particulars of Employees:**

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act and Rule 5(1) of the Companies (Appointment and Remuneration



of Managerial Personnel) Rules, 2014 has been appended as Annexure E to this Report. The information required pursuant to Section 197 of the Companies Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company is available for inspection by the members at registered office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting.

**(g) Risk Management**

Your Company had formed a Risk Management Committee consisting of Mr.P.Ramesh, Mr. John D.Rollo and Mr. Robert P.Romano. The Risk Management Committee does not apply to the Company. The Board of Directors of your Company are of the opinion that, at present, there are no elements of risks which may threaten the existence of the Company.

Your Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any.

**(h) Nomination & Remuneration Policy for Senior Management**

The details relating to ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-19 is given in 'Annexure E' attached and forms part of this Report.

**(i) Material Changes affecting the Financial Position of the Company**

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statement relates and the date of the report.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE RULE 8(5)(VII) of Chapter IX)**

There were no such orders passed during the year under review.

**THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENTS RULE 8(5)(VIII) of Chapter IX)**

The Company has implemented a financial control system designed to protect the interest of the Company adequately and in ensuring the accuracy of the financial statements.

**DETAILS OF CESSATION OF DIRECTORS & OTHER MANAGERIAL PERSONNEL DURING THE YEAR (RULE 8(5)(III) of Chapter IX) -**

NIL



**DETAILS OF APPOINTMENT OF DIRECTORS & OTHER MANAGERIAL PERSONNEL DURING THE YEAR (RULE 8(5)(III) of Chapter IX) -**

NIL

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES AOC 1**

Not Applicable

**DETAILS OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR; RULE 8(1)**

Not Applicable

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 INCLUDING JUSTIFICATION FOR ENTERING INTO SUCH CONTRACTS. (AOC 2)**

<b>1.</b>	<b>Details of contracts or arrangements or transactions not at arm's length basis</b>	NIL
(a)	Name(s) of the related party and nature of relationship	
(b)	Nature of contracts/arrangements/ transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	



<p>2.</p>	<p><b>Details of material contracts or arrangement or transactions at arm's length basis</b></p>	
	<p>(a) Name(s) of the related party and nature of relationship</p>	<p>Comus International 454, Allwood Rd., Clifton New Jersey 07012 USA</p> <p>Comus Belgium BVBA Overhaamlaan 40 B-3700 Tongeren Belgium</p> <p>Comus Europe Limited Unit 7, Rice Bridge Industrial Estate Thorpe - le - Soken Essex , England CO16 OHL</p> <p>Comus Technology BV Jan camperstraat 11 6416 SG Heerlen The Netherlands</p> <p>Gunther America Inc. 454, Allwood Rd., Clifton New Jersey 07012 USA</p> <p>Comus International is the Parent Company. Comus Belgium, Comus Europe are direct subsidiary of Comus International. Gunther America is holding 61.22 % shares in STG Ltd. Gunther America is subsidiary of Comus International. Hence, STG is also subsidiary of Comus International.</p>
	<p>(b) Nature of contracts/arrangements/ transactions</p>	<p>Import / Export marketing agreement executed between the group companies. Raw materials are supplied duty free to STG Ltd by overseas group companies. STG Ltd converts the raw materials and supplies back finished goods to group companies. Payment to the overseas vendors of raw material is paid by overseas group companies directly and the raw material costs are adjusted against the sales invoices for finished goods of STG Ltd, barring a few exceptions when at times STG makes the payment directly to the vendor if the situation so warrants.</p>



	(c) Duration of the contracts / arrangements/transactions	Contract termination is at will.
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	As mentioned in Para-(b) above.
	(e) Date(s) of approval by the Board, if any:	The agreement is from the inception of STG Ltd.
	(f) Amount paid as advances, if any:	STG has not paid any advance to its group companies.

#### **Qualification by Statutory Auditors**

There are no qualifications, reservations or adverse remarks in the Auditors Report.

#### **Qualification by Secretarial Auditor**

There are no qualifications, reservations or adverse remarks in the Auditors 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 : Chennai  
Date : 23rd May 2019

**JOHN D.ROLLO**  
Chairman

**P.RAMESH**  
Managing Director



## ANNEXURE-A

### Forming Part of the Board's Report Management Discussion and Analysis

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

Your company was established in the year 1988. Your company is into the manufacturing and sale of reed switches. The reed switches is one of the unique kind of switches. Your company is the only company in India, other than one M/s. Reed Relays Electronics limited (RRE), based at Bangalore manufacturing reed switches. Your company champions in manufacturing of miniature and Standard reed switches, which RRE does not manufacture at their facility. Your company comes under the category of Electrical and Electronic Industrial segment.

Your company has got all its machine and equipment dating more than 37 years old. Nevertheless, your company has customized the machinery and equipment to suit the latest technological up gradation and need of the hour. This apart, your company has been developing SMD Reed switches and CRR Sensors as an extension of reed switches and your company have been fairly successful in this field.

#### FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

##### A) Segment wise / Division wise Operations

Particulars	AS ON 31.03.2018		AS ON 31.03.2019	
	Quantity (in Nos.)	Value (₹)	Quantity (in Nos)	Value (₹)
Reed Switches	4,820,245	104,956,957	4,986,583	128,809,361
Proximity Sensors	549,791	31,975,239	632,382	35,775,212
Ball Switch	969,000	7,098,430	1,030,000	8,211,855
Others	-	3,865,588	-	10,752,791
<b>TOTAL</b>	<b>6,339,036</b>	<b>147,896,214</b>	<b>6,648,965</b>	<b>183,549,219</b>

##### B) Other Initiatives

Initiative has been taken up by your company for development of various types of products and sensors.

##### C) Outlook

Your company was a sick and loss making company for more than a decade. Effective 2007-08 financial year, lot of measures which includes cost reduction measures and productivity





increasing measures were introduced. The result was encouraging. In the FY 13-14 your company managed to break even. In the financial year 14-15 company had managed to present a nominal profit of ₹49,97,548/- Going forward prospects were to be bright. However, in the FY 15-16 and FY 2016-17, your company has incurred loss of ₹96,36,140/- & 49,77,764/- respectively due to recession and lack of orders. During the financial year 2017-18 as well, your company had posted operational loss due to continuity of recession and lack of orders / demand for your company's products. Further, due to exchange fluctuation loss and depreciation loss, the loss of the company had unfortunately increased and thus your company had posted a loss of ₹ 795,948/- during the FY 2017-18. Nevertheless, the present management of your company had introduced various measures to increase productivity and reduce the scrap generation besides initiated / introduced new product lines because of which, your company is proud to present an operational profit of ₹ 4,764,871/- during the FY 2018-19 under reporting herein.

D) Finance and Investments

Your company has not taken any loan, or deposit etc. from any one, except for issuance of zero coupon redeemable preference shares of ₹ 9,817,800/- totaling 98178 Nos. of shares of ₹ 100/- each, having been issued to M/s.Gunther America Inc., which is the holding company. The said redeemable preference shares is due for redemption on 14.02.2021.

In the present day scenario, your company does not foresee / hope to repay the preference shares under reference above at the time of its redemption on 14/02/2021. Hence, your company has discussed with zero coupon redeemable preference share holder in this regard. The said shareholder has conveyed its interest / willingness that, if it is permitted in law, then they will be ready and willing to get their zero coupon redeemable preference shares into equity shares. Accordingly, your company has established communication with the concerned statutory authorities in this regard. If and when, the approval of concerned statutory authorities is received, then the same will be reported to this august forum in due course.

E) Human Resource Development and Industrial Relations

Human Resource Development and Industrial Relations was very cordial. Your company's subsisting wage agreement with the STG's worker Union is due to expire in September, 2020.

F) Policy to Prevent Sexual Harassment at the work place

The Mechanism exists to receive complaints and redress Grievances with respect to sexual harassment to female employees of the Company.



G) Internal Control Systems and Their Adequacy

Your company has got sufficient internal control system. Your company has appointed independent third party internal auditor, and cost auditors besides statutory auditor. The present system is sufficient to meet the requirements of the company.

H) Information Security

Your company has a full proof information security system. The data backup are taken and kept separately so as to return back to the working in case of any unforeseen circumstances. This apart, your company has introduced adequate measures to avoid theft of information.

I) Opportunities and Threats & Risks and Concerns

Your company is located in to MEPZ-SEZ area. There is a minimum commitment of exports given by your company to the Development Commissioner of MEPZ-SEZ as mandated by law. Secondly, your company has entered into an export marketing agreement with the group companies. As per the agreement, the group companies provide the Raw Material and your company converts them into Finished Goods and export them back to the group companies. Under such scenario, after meeting the commitments of the group company as per the agreement and also the commitment given to the MEPZ-SEZ authorities, your company can make independent sales of left over finished goods. In general, demand for your company's products keeps fluctuating upward and downward and is very volatile. Hence, your company has introduced various new products in its products departments to sustain itself in the market. Thus your company is able to sustain itself in the volatile atmosphere.

With regard to the threat, the major threat is the obsolescence of technology involved in the production machinery and equipment. Your company has however been successful in customizing those machinery and equipment to suit the latest technological requirement vis-à-vis production and export requirement. Secondly, your company is manufacturing gold plated reed switches whereas lot of competitors have emerged in the international market who are offering low cost tin and copper plated reed switches performing the same function as that of your company's reed switches. However, your company is able to offset this threat by canvassing the product's superior quality and longtime durability.

J) Cautionary Statement

Your company has recovered from being a loss making company and posted profits in the FY 2018-19. However, this recovery needs to be sustained in coming years despite the fact that the recession in European markets for your products continues and your company does not have latest technology in its manufacturing set up, among others. Further, continuity of flow of orders from the customers which at times goes to all time low due to slump in the market.



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**ANNEXURE-B**  
**Forming Part of the Board's Report**  
**BUSINESS RESPONSIBILITY REPORT FOR**  
**SWITCHING TECHNOLOGIES GUNTHER LIMITED**

**Part A:**

**SUSTAINABILITY EFFORTS BY SWITCHING TECHNOLOGIES GUNTHER LTD.**

Your company's plants and machineries are age old and the manufacturers of those plants and machineries have either closed their facilities or stopped manufacturing the same. Nevertheless, your company has been customizing the repairs and maintenance aspect to suit the technological upgradation requirements. This has been possible by utilizing the in-house intellectual expertise and also by appointing outside consultants.

Your company's other sustainable efforts were to focus on reducing the scrap rate and increasing the productivity. This has been introduced in all segments of the production processes.

**Part B:**

**BUSINESS RESPONSIBILITY INITIATIVES BY SWITCHING TECHNOLOGIES GUNTHER LIMITED**

Your company is very particular in keeping the surrounding environment green and clean. In this regard, your company has ensured meticulous compliance of pollution control norms.

Your company is very particular about taking care of requirements of its workers and their family members. Even though the company is under severe financial crisis, the company still manages to assist its employees in the best possible way within its means and bounds. This will be evidenced from the very fact that till the year 2007 – 08, your company was stuck with lots of labour issues, besides being rendered sick company and having been referred to BIFR. Due to initiatives taken by your management over a period of time, the company has not only come out of clutches of BIFR but has also broken even in the financial year 2013-14 and booked profits in FY 2014-15. This could not have been possible without the paternalistic approach of your company towards the needs and requirements of the employees. However, during the financial year 2015-16 to 2017-18, your company has incurred loss again purely due to the fact that there was steep decline in sales order. During the financial year under reporting i.e. 2018-19, your company has posted operational profit of ₹ 4,764,871/- . This could be possible due to introduction of various measures by the present management to increase productivity, reduce scrap and introduce various other product lines among other measures.



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**ANNEXURE-C**

**Conservation of Energy, Technology absorption &  
Foreign Exchange Earnings & Outgo**

**Forming Part of the Board's Report**

Information pursuant to Section 134(3)(m) of the Companies Act, 2013, read with rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo.

**A. 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.

**B. Technology Absorption**

The Company does not have a technical collaboration.

**C. 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 ₹ 1,791.77 lacs. Foreign exchange outgo on account of Imported Raw Materials, Stores and Capital Goods other expenditure was ₹ 788.26 lacs.

Expenditure in foreign currency on account of Interest was – Nil.



**ANNEXURE-D**  
**FORMING PART OF BOARD'S REPORT**  
**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

**for the financial year ended on March 31, 2019**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L29142TN1988PLC015647
ii	Registration Date	27/04/1988
iii	Name of the Company	SWITCHING TECHNOLOGIES GUNTHER LIMITED
iv	Category/Sub-category of the Company	Company Limited by shares and Indian Non government company
v	Address of the Registered office & contact details	Plots B-9 & B-10 Special Economic Zone, (MEPZ) Kadapperi, Tambaram, Chennai - 45.
vi	Whether listed company	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Cameo Corporate Services Limited Subramanian Building, No.1, Club House Road, Chennai- 600002 Tel: 044-28460390; Fax: 044-28460129; Email: <a href="mailto:cameosys@cameoindia.com">cameosys@cameoindia.com</a>



**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SI No	Name & Description of main products/services	“NIC Code of the Product /service”	“% to total turnover of the company”
1	Reed Switches	DIVISION 26 / GROUP 261	70.18%
2	Proximity Sensors	DIVISION 26 / GROUP 261	19.49%
3	Ball Switches	DIVISION 26 / GROUP 261	4.47%
4	Others	DIVISION 26 / GROUP 261	5.86%

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

SI No	Name & Address of the Company	CIN/GLN/ FEDERAL ID	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	GUNTHER AMERICA INC., 454, Allwood Road Clifton, NJ 07012, USA	22-3318810	Holding Company	61.22%	2(46)



**IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
(1) Indian	0	0	0	0	0	0	0	0.00	0
a) Individual/HUF	0	0	0	0	0	0	0	0.00	0
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0.00	
c) Bodies Corporates	0	0	0	0	0	0	0	0.00	0
d) Bank/FI	0	0	0	0	0	0	0	0.00	0
e) Any other	0	0	0	0	0	0	0	0.00	0
SUB TOTAL:(A) (1)	0	0	0	0	0	0	0	0.00	0
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0.00	0
b) Other Individuals	0	0	0	0	0	0	0	0.00	0
c) Bodies Corp.	0	0	0.00	0	0	0	0	0.00	0
d) Banks/FI	0	0	0	0	0	0	0	0.00	0
e) Any other...	1500000	0	1500000	61.22	1500000	0	1500000	61.22	0.00
SUB TOTAL (A) (2)	1500000	0	1500000	61.22	1500000	0	1500000	61.22	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	1500000	0	1500000	61.22	1500000	0	1500000	61.22	0.00
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0.00	0
b) Banks/FI	400	200	600	0.02	400	200	600	0.02	0.00
c) Central govt	0	0	0	0	0	0	0	0.00	0
d) State Govt.	0	0	0	0	0	0	0	0.00	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0	0	0	0	0.00	0
g) FIIS	0	0	0	0	0	0	0	0.00	0



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0.00	0
i) Others (specify)	0	0	0	0	0	0	0	0.00	0
SUB TOTAL (B)(1):	400	200	600	0.02	400	200	600	0.02	0.00
(2) Non Institutions									
a) Bodies corporates	45003	2450	47453	1.94	61496	2450	63946	2.61	0.67
i) Indian	0	0	0	0	0	0	0	0.00	0
ii) Overseas	0	0	0	0	0	0	0	0.00	0
b) Individuals	0	0	0	0	0	0	0	0.00	0
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	365924	195483	561407	22.91	369010	185133	554143	22.62	-0.30
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	276061	0	276061	11.27	264627	0	264627	10.80	-0.47
c) Others (specify)									
i) Hindu Undivided Families	60180	0	60180	2.46	63439	0	63439	2.59	0.13
ii) Non Resident Indians	4149	0	4149	0.17	2995	0	2995	0.12	-0.05
iii) Clearing Members	0	0	0	0.00	100	0	100	0.00	0.00
iv) Trusts	150	0	150	0.01	150	0	150	0.01	0.00
SUB TOTAL (B)(2):	751467	197933	949400	38.75	761817	187583	949400	38.75	0.00





Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Public Shareholding (B)= (B)(1)+(B)(2)	751867	198133	950000	38.78	762217	187783	950000	38.78	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>2251867</b>	<b>198133</b>	<b>2450000</b>	<b>100.00</b>	<b>2262217</b>	<b>187783</b>	<b>2450000</b>	<b>100.00</b>	<b>0.00</b>

**(ii) SHARE HOLDING OF PROMOTERS**

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	GUNTHER AMERICA INC	1500000	61.22	0	1500000	61.22	0	0
	Total	1500000	61.22	0	1500000	61.22	0	0

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE) - NO CHANGE**

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

S. No.	For each of the top 10 shareholders	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	BJD SECURITIES PRIVATE LTD	17977	0.73	17977	0.73
	At the beginning of the year				
	Date wise increase/ decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	28776	1.17	28776	1.17
	At the end of the year	46753	1.91	46753	1.91
2	BHARAT JAMNADAS DATTANI	37628	1.54	37628	1.54
	At the beginning of the year				
	Date wise increase/ decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	-446	-0.02	-446	-0.02
	At the end of the year	37182	1.52	37182	1.52



S. No.	For each of the top 10 shareholders	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
3	KISHAN LAL MITTAL	26900	1.10	26900	1.10
	At the beginning of the year				
	Date wise increase/ decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	0	0.00	0	0.00
	At the end of the year	26900	1.10	26900	1.10
4	BHARATI BHARAT DATTANI	29402	1.20	29402	1.20
	At the beginning of the year				
	Date wise increase/ decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	-3320	-0.14	-3320	-0.14
	At the end of the year	26082	1.06	26082	1.06



S. No.	For each of the top 10 shareholders	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
5	RADHEY SHYAM MITTAL	25703	1.05	25703	1.05
	At the beginning of the year				
	Date wise increase/ decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	300	0.01	300	0.01
	At the end of the year	26003	1.06	26003	1.06
6	MADHU BALA MITTAL	25671	1.05	25671	1.05
	At the beginning of the year				
	Date wise increase/ decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	0	0.00	0	0.00
	At the end of the year	25671	1.05	25671	1.05



S. No.	For each of the top 10 shareholders	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
7	RADHEY SHYAM MITTAL (HUF) .	25173	1.03	25173	1.03
	At the beginning of the year				
	Date wise increase/ decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	0	0.00	0	0.00
	At the end of the year	25173	1.03	25173	1.03
8	ADITYA MITTAL	25100	1.02	25100	1.02
	At the beginning of the year				
	Date wise increase/ decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	0	0.00	0	0.00
	At the end of the year	25100	1.02	25100	1.02



S. No.	For each of the top 10 shareholders	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
9	APEKSHA MITTAL	25000	1.02	25000	1.02
	At the beginning of the year				
	Date wise increase/ decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	0	0.00	0	0.00
	At the end of the year	25000	1.02	25000	1.02
10	HITESH JHAVERI	18325	0.75	18325	0.75
	At the beginning of the year				
	Date wise increase/ decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	0	0.00	0	0.00
	At the end of the year	18325	0.75	18325	0.75



(v) Shareholding of Directors & KMP

SI.No	For Each of the Directors & KMP	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Mr. P. Ramesh				
	At the beginning of the year	7	0.00029	7	0.00029
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer / bonus / sweat equity etc.)	0	0	0	0
	At the end of the year	7	0.00029	7	0.00029

V INDEBTEDNESS – NIL

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

SI.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount (₹)
		Mr. P.Ramesh	Mr. A. Jeyaganesan Muthiah	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	8,82,334	7,76,533	16,58,867
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	66,461	62,373	1,28,834
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-



Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount (₹)
		Mr. P.Ramesh	Mr. A. Jeyaganesan Muthiah	
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others (specify)	-	-	-
5	Others, please specify	-	-	-
	Total (A)	9,48,795	8,38,906	17,87,701

**Note :** \* The KMP ie., Mr. P. Ramesh and Mr. A. Jeya Ganesan Muthiah are employee Directors. Hence they are mandatorily required to be paid salaries as mentioned in Sl.No.1 of this table above.

**B. REMUNERATION TO OTHER DIRECTORS: NIL**

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER WTD : NIL**

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : NIL**



## Annexure –E

### Forming Part of the Board’s Report Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Note: The information provided below is on standalone basis for Indian Listed entity.

- (1) Ratio of the remuneration of each director to the median remuneration of all the employees of the Company for the financial year:

Sr. No.	Name of Director	Ratio of remuneration to median remuneration of all employees
1	Mr. P. Ramesh- Managing Director	2:1
2	Mr. A Jeyaganesan Muthiah – Director	2:1

- (2) The percentage increase in remuneration of Managing Director and Director in the financial year was 9.74%.
- (3) The percentage increase in the median remuneration of employees in the financial year was 10.47 %.
- (4) The number of permanent employees on the rolls of company as on 31st March, 2019 is 123.
- (5) The average increase in remuneration of the employees was 10.47%. Average increase in remuneration is guided by factors like economic growth, inflation, mandatory increases, external competitiveness and talent retention. On the other hand, the overall wage bill is impacted by the increase in remuneration and other structural changes in manufacturing processes, etc. Whilst the Company has a strong cost focus, employee cost being one of the key areas for cost monitoring and control, the results of any structural initiatives needs to be measured over a long term horizon and cannot be strictly compared with annual performance indicators.
- (6) The increase in remuneration of the Key Managerial Personnel is 9.74%.
- (7) The market capitalization of the company and the price earnings ratio as at the closing date of the current financial year and previous financial year is tabled below:

	As at 31.03.2018	As at 31.03.2019	Percentage Increase/ (Decrease)
Market Capitalisation (₹ in Crores)	17.89	12.86	(28.08)
Price Earnings Ratio	90	(205)	127.78
Current Market Price	73.00	52.5	(20.5)



- 8) The closing market price of the shares of the Company as at March 31, 2019 was ₹ 52.50/- (BSE) and as at March 31, 2018 was ₹ 73.00/- (BSE). The increase/ decrease in the market quotations of the shares of the company is as tabled below;

Date	March 31, 2018	March 31, 2019
Market Price as on	73.00	52.50

- (9) The total managerial remuneration comprises of remuneration of the Managing Director and Executive Director. The remuneration to Managerial personnel is as per the provisions of Companies Act, 2013.
- (10) Remuneration of Key Managerial Personnel of the Company i.e., Managing Director and Executive Director is indicated as below:

Name of KMP	Particulars of Remuneration	As on 31st March, 2018	As on 31st March, 2019
Mr. P. Ramesh- Managing Director	Salaries and Allowances	779,448.00	823,751.00
	Contribution to PF and other Funds	53,753.00	58,583.00
	Perquisites	62,920.00	66,461.00
Mr. A Jeya Ganesan Muthiah- Executive Director	Salaries and Allowances	658,632.00	723,924.00
	Contribution to PF and other Funds	47,956.00	52,609.00
	Perquisites	58,892.00	62,373.00
<b>TOTAL</b>		<b>1,661,601.00</b>	<b>1,787,701.00</b>

The Pay is based on the contributions made by the KMP for the company.

- (11) Remuneration is as per the remuneration policy of the company.



**ANNEXURE-F**

**FORMING PART OF THE BOARD'S REPORT MR – 3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31st March, 2019  
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of  
the Companies (Appointment and Remuneration of  
Managerial Personnel) Rules, 2014]**

To,

The Members

**SWITCHING TECHNOLOGIES GUNTHER LIMITED**

PLOTS B-9 & B-10, Special Economic Zone (MEPZ),

Kadapperi, Tambaram, Chennai - 600 045.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Switching Technologies Gunther Limited (CIN: L29142TN1988PLC015647), hereinafter called as 'the Company'. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings as applicable to the Company;
- (vi) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company viz.:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
- (vii) Other Laws like Labour laws, Environmental laws, Taxation and Other laws, applicable to the Company was as per representation given by the management.
- (viii) Laws specifically applicable to the Company – NIL as per representation given by the management.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with the Bombay Stock Exchange Limited (BSE).
- (iii) The Memorandum and Articles of Association of the Company.



We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, reappointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel subject to the following:

The Company is required to pass special resolution as required under Regulation 17(1A) of SEBI (LODR) Regulations, 2015 for the continuance of appointment of Mr. Robert Paul Romano and Ms. Mary Patricia Galasso as Independent (Non-Executive) Directors of the Company who have attained the age of seventy five years.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board as the case may be.

We further report that during the audit period there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

We further report that there are adequate systems and processes in place in the Company commensurate with the size, nature of business and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The following are our observations:

- (a) The Company has not complied with the provisions of Section 203 of the Companies Act, 2013 during the financial year with respect to appointment of Company Secretary (KMP) as required under Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as the company is a listed company. However, the Company has regularized the above requirement by appointment of Whole-time Company Secretary (KMP) with effect from 01.04.2019.
- (b) The Company has not complied with the provisions of Section 203 of the Companies Act, 2013 during the financial year with respect to appointment of Chief Financial Officer (KMP) as required under Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as the company is a listed company. However, the Company has regularized the above requirement by appointment of Chief Financial Officer (KMP) with effect from 01.04.2019.



We further report that during the audit period:

- (i) The Company has reconstituted Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee with proper balance of Executive Directors, Non-Executive Directors and Independent Directors with effect from 19th October, 2018 during the financial year.
- (ii) The Company has passed ordinary resolution during the financial year at the Annual General Meeting held on 27.09.2018 approving the re-designation of Mr. A. Jeya Ganesan Muthiah from Director to Executive Director with effect from 30th January, 2018.
- (iii) The Company has passed ordinary resolutions during the financial year at the Annual General Meeting held on 27.09.2018 approving the re-designation of Mr. John D. Rollo, Mr. Robert P Romano and Ms. Mary Patricia Galasso from Directors to Independent Directors for a term of 5 years with effect from 28th February, 2018.

For **G.S.R. & Co.,**  
COMPANY SECRETARIES

Place : Chennai  
Date : 23rd May 2019

Sd/-  
G. SREENIVASA RAO  
(M.NO. FCS-5691 & C.P. NO. 4966)

Note: This report is to be read with our letter of even date which is annexed as Appendix-A and forms an integral part of this report.



**APPENDIX-‘A’**

To,

The Members

**SWITCHING TECHNOLOGIES GUNTHER LIMITED**

PLOTS B-9 & B-10, Special Economic Zone (MEPZ),  
Kadapperi, Tambaram, Chennai - 600 045.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that corrected facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **G.S.R. & Co.,**  
COMPANY SECRETARIES

Place : Chennai

Date : 23rd May 2019

Sd/-  
G. SREENIVASA RAO  
(M.NO. FCS-5691 & C.P. NO. 4966)



## REPORT ON CORPORATE GOVERNANCE

Clause 49 of the Listing Agreement with the Indian Stock Exchanges stipulates the norms and disclosure standards that have to be followed on the Corporate Governance front by listed Indian Companies.

### 1. THE COMPANY'S PHILOSOPHY

The Company is one of the group companies of Comus International based in New Jersey, USA. The company is in a field of manufacturing and sales of electrical and electronic components which among others includes Reed Switches. Besides the operational part, your company has come a long way from being a sick company to breaking even and posting a nominal profit in the FY 2014-15. However, the company could not continue the trend of posting profits in subsequent financial years from 2015-16 to 2017-18 due to volatile and lower demand for the products of your company. However, during the current FY 2018-19 under review, your company has posted operational profits. This could be possible because of the management's strong commitment towards paternalistic approach for its employees at large on one hand, and towards intellectual support and guidance in the operational side on the other hand. Further, your company has introduced new product lines as a process of diversification to ensure that the losses so occurred be kept at a lower end.

The Company's philosophy of corporate governance is to achieve business excellence by enhancing the long-term welfare of all its stakeholders. The Company believes that corporate governance is about creating organisations that succeed in the market place with the right approach and values. This will enhance the value for all its stakeholders.

### THE GOVERNANCE STRUCTURE

#### 2. BOARD OF DIRECTORS

##### a) Board Structure

The Board of Directors of the Company comprises of 5 Directors, which includes a Managing Director i.e. Mr. P. Ramesh.

No Director is related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 2013

##### b) Board meetings held and Directors' attendance record

The Board meets at least once in a quarter to consider among other businesses, quarterly performance of the Company and financial results. To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board. During the FY 2018-19, seven Board meetings were held.





Table 1: Details about the Company’s Board of Directors & meetings attended by the Directors during the year:

Name of Director	Category	Board Meetings held during the year	Board Meetings attended during the year	Whether attended last AGM	Directorships in other public companies as at year end	Number of Chairmanships / memberships in Board Committees in other companies as at year end
Mr. John D.Rollo	Non-Executive-Independent Director	7	7	Yes	No	Nil
Mr. Robert. P. Romano	Non-Executive-Independent Director	7	6	No	No	Nil
Ms. Mary Patricia Galasso	Non-Executive-Independent Director	7	6	No	No	Nil
Mr. P.Ramesh	Managing Director	7	1	Yes	No	Nil
Mr. A Jeyaganesan Muthiah	Executive Director	7	1	Yes	No	Nil

None of the Directors is a member of more than 10 Board-level committees, or a Chairman of more than five such committees, as required under Clause 49 of the listing agreement.

- c) Information supplied to the Board among others, includes:
  - i) Annual operating plans and budgets, capital budgets, and any updates thereon,
  - ii) Quarterly results of the Company,
  - iii) Minutes of meetings of audit committee and other committees,
  - iv) Information on recruitment and remuneration of senior officers just below the Board level,
  - v) Materially important show cause, demand, prosecution and penalty notices,



- vi) Fatal or serious accidents or dangerous occurrences,
- vii) Any materially significant effluent or pollution problems,
- viii) Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company,
- ix) Any issue which involves possible public or product liability claims of a substantial nature,
- x) Transactions that involve substantial payment towards goodwill, brand equity or intellectual property,
- xi) Significant labour problems and their proposed solutions,
- xii) Significant development in the human resources and industrial relations front,
- xiii) Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement,
- xiv) Non-compliance of any regulatory, statutory nature or listing requirements as well as shareholder services like delays in share transfer.

The Board of the Company is presented with all the information under the above heads, whenever applicable. These are submitted either as part of the agenda papers well in advance of the Board meeting or are tabled in the course of the Board meeting.

- d) Directors with materially significant related party transactions, pecuniary or business relationship with the Company except for drawing remuneration– None of the Independent Directors have any other materially significant related party transactions, pecuniary or business relationship with the Company. Attention of Members is drawn to the disclosures of transactions with related parties set out in Financial Statements forming part of the Annual Report.
- e) Remuneration of Directors:

No sitting fees, etc., is provided to any of the directors. However, Mr. P. Ramesh, Managing Director and Mr. A Jeya Ganesan Muthiah, being Production Manager-cum-Executive Director, are drawing salary from the company as per the contract. The details of remuneration package of the Managing Director and Production Manager is given in Table 2.

Table 2: Details of Remuneration in Rupees paid or payable to Managing Director for the year ended March 31, 2019.

amount in ₹

Name of Managing Director/ Director	Relationships with Directors	Sitting Fees	Salary and Allowances	Perquisites	Provident Fund	Total
Mr. P.Ramesh	-N.A-	Nil	823,751	66,461	58,583	948,795
Mr. A. Jeya Ganesan Muthiah	-N.A-	Nil	723,924	62,373	52,609	838,906

### 3. COMMITTEES OF THE BOARD

The Company has an Audit Committee, Stakeholder’s Relationship / Shareholders Committee and Nomination and Remuneration Committee which is in accordance with provisions of Clause 49 of Listing Agreement.

#### (a) The Composition of Committees is as below

Name of Director	Position in the Committee		
	Audit Committee	Nomination & Remuneration Committee	Stakeholders’ Relationship Committee
Mr. John D Rollo	Chairman	Member	Member
Mr. P.Ramesh	Member	-	-
Mr. Robert P.Romano	-	Chairman	-
Ms. Mary Patricia Galasso	Member	Member	Chairman
Mr. A Jeyaganesan Muthiah	-	-	Member

**(b) Attendance Details for Committee Meetings**

Name of Meeting	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee
Meetings Held	04	1	16
Directors' Attendance:			
Mr. John D Rollo	Yes	Yes	Yes
Mr. P. Ramesh	Yes	-	-
Mr. Robert P.Romano	-	Yes	-
Ms. Mary Patricia Galasso	Yes	Yes	Yes
Mr. A Jeya Ganesan Muthiah	-	-	Yes

**(c) Terms of reference of Board Committees:**

The terms of reference for Audit Committee include the matters specified in Section 177 of the Companies Act, 2013 as well as clause 49 of Listing Agreement as follows:

**(1) Audit Committee:**

- a) Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending the appointment / removal of external auditor, fixation of audit fees and approval for payment for any other services.
- c) Financial statements before submission to the board for approval.
- d) Matters that needs to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134 of the Companies Act, 2013.
- e) Change, if any, in accounting policies and practices and reasons for the same.
- f) Major accounting entries involving estimates based on exercise of judgement by the management.
- g) Significant adjustments made in the financial statements arising out of audit findings.
- h) Compliance with listing and other requirements relating to financial statements.
- i) Disclosure of any related party transactions.
- j) Any qualification in the draft audit report.
- k) Reviewing with the management, the quarterly / annual financial statement before submission to the Board for approval.



- l) Reviewing with the management, performance of the statutory and internal auditors, and adequacy of the internal control system.
- m) Reviewing the adequacy of internal audit function, if any, including the structure of Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- n) Discussion with internal auditors any significant findings and follow up thereon.
- o) Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- q) Evaluation of internal financial controls and risk management systems.
- r) Looking into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
- s) Reviewing the functioning of Whistle Blower mechanism.

**(2) Remuneration Committee**

The terms of remuneration Committee are as below.

Practices of the Company and in particular, policies regarding remuneration of Managing Director, who may be appointed in senior management in accordance with the criteria laid down, recommend to Board their appointment and removal, and evaluate every Director's performance, qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to remuneration of Managing Director, key management personnel and other employees, Share Based Employee Benefits.

**(3) Stakeholders Relationship / Shareholders Committee**

The Registrar and Share Transfer Agents viz., Cameo Corporate Services Limited takes care of the shareholders complaints regarding transfer / transmission / issue of duplicate share certificates and sends periodical reports to the Company which is placed before the Committee for its perusal and approval.

Name and designation of Compliance Officer: - Mr. S.Ramesh, Company Secretary and Compliance Officer.

There are no pending share transfers as on March 31, 2019.

**(4) Risk Management Committee**

The Risk Management Committee was constituted by the Board on 10.05.2014 adhering to the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Risk Management Committee is not applicable to the Company.



#### 4. GENERAL BODY MEETINGS

a) Details of last three Annual General Meetings (AGMs)

Year	Venue	Date	Time
September 2016	Hotel Grand Palace, 257, G.S.T Road, Chennai 600 044.	15/09/2016	2.30 p.m
September 2017	Hotel Grand Palace, 257, G.S.T Road, Chennai 600 044.	27/09/2017	2.30 p.m
September 2018	Hotel Grand Palace, 257, G.S.T Road, Chennai 600 044.	27/09/2018	2.30 p.m

b) Details of Special Resolutions passed in last 3 AGMs

Year	Special Resolution Passed
September 2016	Nil
September 2017	Nil
September 2018	Nil

c) No EGM has been conducted in last 3 years.

d) Details of postal ballot held during last year - NIL.

Resolutions were passed unanimously by show of hands.

#### 5. DISCLOSURES

a) Materially significant related party transactions that may have potential conflict of interests of Company at large - NIL

b) Complaints received under Whistle Blower Policy - NIL

c) The complaints received under Policy to Prevent Sexual Harassment at the work place - NIL

d) Details of compliance with mandatory requirement



**CORPORATE GOVERNANCE REPORT**

**ANNEXURE I**

Format to be submitted by listed entity on quarterly basis

1. Name of Listed Entity Switching Technologies Gunther Limited ( 517201)

2. Quarter ending 31/3/2019

**I. Composition of Board of Directors**

Title (Mr. / Ms. )	Name of the Director	PAN	DIN	Category (Chairperson /Executive/ Non- Executive/ in dependent/ Nominee) &	Date of Appoint ment in the current term /cessation	Tenure*	No of Directorship in listed entities including this listed entity (Refer Regulation 25(1) of Listing Regulations)	Number of memberships in Audit/ Stakeholder Committee(s) including this listed entity (Refer Regulation 26(1) of Listing Regulations)	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity (Refer Regulation 26(1) of Listing Regulations)
Mr.	Robert P. Romano	-	01181745	Independent - Non-Executive	27-09-2018	60	1	2	1
Mr.	John D. Rollo	-	00742529	Independent - Non-Executive - Chairperson	27-09-2018	60	1	4	1
Ms.	Mary Patricia Galasso	-	07204427	Independent - Non-Executive	27-09-2018	60	1	2	1
Mr.	P. Ramesh	AESPR0769M	00661963	Executive Director	24-07-2015		1		1
Mr.	A. Jeya Ganesan Muthiah	AEQPJ9767D	07211705	Executive Director	27-09-2018		1		

\$ PAN number of any director would not be displayed on the website of Stock Exchange

& Category of directors means executive/non-executive/independent/Nominee. if a director fits into more than one category write all categories separating them with hyphen

\* to be filled only for Independent Director. Tenure would mean total period from which Independent director is serving on Board of directors of the listed entity in continuity without any cooling off period.



**II. Composition of Committees**

<b>Name of Committee</b>	<b>Name of Committee members</b>	<b>Category (Chairperson/ Executive/ Non- Executive/ independent/Nominee) <sup>§</sup></b>	<b>Category 2 of directors</b>
1. Audit Committee	Mr. John D. Rollo	Non-Executive - Independent Director	Chairperson
	Mr. P.Ramesh	Executive Director	Member
	Ms. Mary Patricia Galasso	Non-Executive - Independent Director	Member
2. Nomination & Remuneration Committee	Mr. John D. Rollo	Non-Executive - Independent Director	Member
	Mr. Robert P. Romano	Non-Executive - Independent Director	Chairperson
	Ms. Mary Patricia Galasso	Non-Executive - Independent Director	Member
3. Stakeholders Relationship Committee <sup>1</sup>	Mr. John D. Rollo	Non-Executive - Independent Director	Member
	Ms. Mary Patricia Galasso	Non-Executive - Independent Director	Chairperson
	Mr. A.Jeya Ganesan Muthiah	Executive Director	Member

<sup>§</sup> Category of directors means executive/non-executive/independent/Nominee. if a director fits into more than one category write all categories separating them with hyphen.





**III. Meeting of Board of Directors**

Date(s) of Meeting (if any) in the previous quarter	Date(s) of Meeting (if any) in the relevant quarter	Maximum gap between any two consecutive (in number of days)
19-10-2018	30-01-2019	90
31-10-2018		

**IV. Meeting of Committees**

Date(s) of meeting of the committee in the relevant quarter	Whether requirement of Quorum met (details)	Date(s) of meeting of the committee in the previous quarter	Maximum gap between any two consecutive meetings in number of days*
1. Audit Committee: 22/01/2019	YES	22-10-2018	97
2. Nomination & Remuneration Committee: NIL	YES	23-03-2019	
3. Stakeholders Relationship Committee : 04/01/2019,23/01/2019, 14/02/2019,20/02/2019, 26/02/2019,11/03/2019, 22/03/2019	YES	23/11/2018,21/12/2018	84

\* This information has to be mandatorily be given for audit committee, for rest of the committees giving this information is optional

**V. Related Party Transactions**

Subject	Compliance status (Yes/No/ NA) refer note below
Whether prior approval of audit committee obtained	YES
Whether shareholder approval obtained for material RPT	YES
Whether details of RPT entered into pursuant to omnibus approval have been reviewed by Audit Committee	YES



**Note**

- 1 In the column “Compliance Status”, compliance or non-compliance may be indicated by Yes/ No/N.A.. For example, if the Board has been composed in accordance with the requirements of Listing Regulations, “Yes” may be indicated. Similarly, in case the Listed Entity has no related party transactions, the words “N.A.” may be indicated.
- 2 If status is “No” details of non-compliance may be given here.

**VI. Affirmations**

1. The composition of Board of Directors is in terms of SEBI (Listing obligations and disclosure requirements) Regulations, 2015.
2. The composition of the following committees is in terms of SEBI(Listing obligations and disclosure requirements) Regulations, 2015
  - a. Audit Committee
  - b. Nomination & remuneration committee
  - c. Stakeholders relationship committee
  - d. Risk management committee (applicable to the top 100 listed entities)
3. The committee members have been made aware of their powers, role and responsibilities as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015.
4. The meetings of the board of directors and the above committees have been conducted in the manner as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015.
5. This report and/or the report submitted in the previous quarter has been placed before Board of Directors. Any comments/observations/advice of Board of Directors may be mentioned here:

For **Switching Technologies Gunther Ltd.**

**P. RAMESH**  
Managing Director

**ANNEXURE II**

Format to be submitted by listed entity at the end of the financial year  
(for the whole of financial year)

<b>I. Disclosure on website in terms of Listing Regulations</b>		
<b>Item</b>	<b>Compliance status (Yes/ No/NA) refer note below</b>	
Details of business	Yes	<a href="http://www.switchingtechnologiesguntherltd.com">www.switchingtechnologiesguntherltd.com</a>
Terms and conditions of appointment of independent directors	Yes	<a href="http://www.switchingtechnologiesguntherltd.com">www.switchingtechnologiesguntherltd.com</a>
Composition of various committees of board of directors	Yes	<a href="http://www.switchingtechnologiesguntherltd.com">www.switchingtechnologiesguntherltd.com</a>
Code of conduct of board of directors and senior management personnel	Yes	<a href="http://www.switchingtechnologiesguntherltd.com">www.switchingtechnologiesguntherltd.com</a>
Details of establishment of vigil mechanism/ Whistle Blower policy	Yes	<a href="http://www.switchingtechnologiesguntherltd.com">www.switchingtechnologiesguntherltd.com</a>
Criteria of making payments to non-executive directors	No*	
Policy on dealing with related party transactions	Yes	<a href="http://www.switchingtechnologiesguntherltd.com">www.switchingtechnologiesguntherltd.com</a>
Policy for determining 'material' subsidiaries	NA	
Details of familiarization programmes imparted to independent directors	NA	
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes	<a href="http://www.switchingtechnologiesguntherltd.com">www.switchingtechnologiesguntherltd.com</a>
email address for grievance redressal and other relevant details	Yes	<a href="http://www.switchingtechnologiesguntherltd.com">www.switchingtechnologiesguntherltd.com</a>
Financial results	Yes	<a href="http://www.switchingtechnologiesguntherltd.com">www.switchingtechnologiesguntherltd.com</a>
Shareholding pattern	Yes	<a href="http://www.switchingtechnologiesguntherltd.com">www.switchingtechnologiesguntherltd.com</a>
Details of agreements entered into with the media companies and/or their associates	NA	
New name and the old name of the listed entity	NA	



**II. Annual Affirmations**

<b>Particulars</b>	<b>Regulation Number</b>	<b>Compliance status (Yes/No/NA)refer note below</b>
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/ or 'eligibility'		
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	NA
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	NA **
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
27-07-2018	18(1)	19-10-2018
20-08-2018	18(2)	31-10-2018
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of risk management committee	21(1),(2),(3),(4)	Yes
Vigil Mechanism	22	Yes
1. Audit Committee: 22/10/2018	23(1),(5),(6),(7) & (8)	Yes ***
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
3. Risk Management Committee: 23/12/2018	23(4)	Yes
4. Stakeholders Relationship Committee : 23/11/2018	24(1)	NA



Particulars	Regulation Number	Compliance status (Yes/No/NA)refer note below
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non- Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes

**Note**

- 1 In the column “Compliance Status”, compliance or non-compliance may be indicated by Yes/ No/ N.A.. For example, if the Board has been composed in accordance with the requirements of Listing Regulations, “Yes” may be indicated. Similarly, in case the Listed Entity has no related party transactions, the words “N.A.” may be indicated.
- 2 If status is “No” details of non-compliance may be given here.
  - \* No Payments made to Non-executive Directors \*\* No Fees / Compensation paid to any Directors of the Board Except Employee Directors who are paid salary. \*\*\* Governed by Export Marketing Agreement.
- 3 If the Listed Entity would like to provide any other information the same may be indicated here - NIL.

**III Affirmations:**

The Listed Entity has approved Material Subsidiary Policy and the Corporate Governance requirements with respect to subsidiary of Listed Entity have been complied.

For **Switching Technologies Gunther Ltd.**

**P. RAMESH**  
Managing Director



## ANNEXURE III

Format to be submitted by listed entity at the end of 6 months  
after end of financial year along-with second quarter report of next financial year

## I Affirmations

Broad heading	Regulation Number	Compliance status (Yes/No/NA)refer note below
Copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report, business responsibility report displayed on website	46(2)	YES
Presence of Chairperson of Audit Committee at the Annual General Meeting	18(1)(d)	YES
Presence of Chairperson of the nomination and remuneration committee at the annual general meeting	19(3)	YES
Whether "Corporate Governance Report" disclosed in Annual Report	34(3) read with para C of Schedule V	YES

## Note

- 1 In the column "Compliance Status", compliance or non-compliance may be indicated by Yes/No/N.A.. For example, if the Board has been composed in accordance with the requirements of Listing Regulations, "Yes" may be indicated. Similarly, in case the Listed Entity has no related party transactions, the words "N.A." may be indicated.
- 2 If status is "No" details of non-compliance may be given here.
- 3 If the Listed Entity would like to provide any other information the same may be indicated here - NIL.

## e) Details of Non-compliance:

Bombay Stock Exchange had imposed penalty for non-appointment of Company Secretary. The company had paid the penalty and had rectified the non compliance by appointing a Company Secretary w.e.f. 1st April 2019.



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## Independent Auditors' Certificate on Corporate Governance

To

The Members of Switching Technologies Gunther Limited

We, M L Srinivasan & Associates, Chartered Accountants, the statutory auditors of Switching Technologies Gunther Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clause (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

### **Managements' Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

### **Auditor's Responsibility**

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.



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**Opinion**

Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clause (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2019.

We state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of  
**M.L.Srinivasan & Associates**  
Chartered Accountants  
Firm Registration No.006505S

Place : Chennai  
Date : 23rd May 2019

**M.L.SRINIVASAN**  
Partner  
Membership No. 203154





## INDEPENDENT AUDITORS' REPORT

To the Members of Switching Technologies Gunther Limited

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Switching Technologies Gunther Limited ("the company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including other comprehensive income), the statement of Changes in Equity and the Statement of Cash Flow for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the Profit and total comprehensive Income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Key Audit Matters

Key audit matter are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matter were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the there are no key audit matters to communicate in our report.



### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, change in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has not realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.



### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit's report. However, further events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the result of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of change in equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, from being appointed as a director in terms of Section 164(2) of the Act



f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to our best of our information and according to the explanations given to us :

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund and

2. As required by the Companies (Auditors' Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

For and on behalf of  
**M.L.Srinivasan & Associates**  
Chartered Accountants  
Firm Registration No.006505S

**M.L.SRINIVASAN**

Partner

Membership No. 203154

Place : Chennai

Date : 23rd May 2019



## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our Report to the Members of Switching Technologies Günther Limited)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Switching Technologies Günther Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of  
**M.L.Srinivasan & Associates**  
Chartered Accountants  
Firm Registration No.006505S

**M.L.SRINIVASAN**

Partner

Membership No. 203154

Place : Chennai

Date : 23rd May 2019



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## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Report to the Members of Switching Technologies Gunther Limited)**

- i. In respect of the Company's fixed assets :
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. the fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
  - c. In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company as at the balance sheet date.
- ii. In respect of the Company's Inventory:
  - a. The inventory has been physically verified by the management during the year. In my opinion, the frequency of such verification is reasonable.
  - b. The discrepancies noticed on the aforesaid verification between the physical stocks and book records were not material.
- iii. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- iv. The Company has not granted any Loans or made Investments referred to under section 185 and 186 of the Act.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company specified by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales tax, Service





tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise duty, Cess, and other material statutory dues applicable to it with the appropriate authorities.

- b. As at 31st March 2019 according to the records of the Company, the following dues of Income tax, have not been deposited by the Company on account of disputes :

Name of the Statute	Nature of Dues	Amount (in Rupees)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax	2,061,790	Assessment Year 2012-13	CIT(Appeals), Chennai and Assistant Commissioner of Income tax, Company Range, Chennai

- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the order is not applicable to the Company.
- ix. The Company did not raise any money by way of initial public offer or further Public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made and preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



- 
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non cash transactions with directors or persons connected to its directors. Accordingly, paragraph 3(xv) of the order is not applicable.
- xvi. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For and on behalf of  
**M.L.Srinivasan & Associates**  
Chartered Accountants  
Firm Registration No.006505S

**M.L.SRINIVASAN**

Partner

Membership No. 203154

Place : Chennai

Date : 23rd May 2019

SWITCHING TECHNOLOGIES GÜNTHER LIMITED



BALANCE SHEET AS AT 31st MARCH, 2019

(Amount in ₹)

	Note	As at 31st March 2019	As at 31st March 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and equipment	3	6,012,345	7,179,399
Capital work-in-progress		-	-
Intangible Assets	3	54,456	116,103
Financial Assets		-	-
Non-current Investments		-	-
Long Term Loans and Advances		-	-
Others		-	-
Deferred Tax Assets (Net)		-	-
Other non-current Assets		-	-
<b>Total Non-current Assets</b>		<b>6,066,801</b>	<b>7,295,502</b>
<b>Current Assets</b>			
Inventories	4	63,872,229	59,522,115
Financial assets		-	-
Current Investments		-	-
Trade Receivables	5	9,245,632	17,983,273
Cash and cash equivalents	6	5,397,730	8,232,664
Short Term Loans and Advances	7	6,836,970	5,506,881
Assets for current tax(net)		-	-
Other Current Assets		-	-
<b>Total Current Assets</b>		<b>85,352,560</b>	<b>91,244,933</b>
<b>TOTAL ASSETS</b>		<b>91,419,361</b>	<b>98,540,435</b>
<b>EQUITIES AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	8	24,500,000	24,500,000
Other Equity	9	(15,370,311)	(20,135,182)
<b>TOTAL EQUITY</b>		<b>9,129,689</b>	<b>4,364,818</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Preference Shares	10	9,817,800	9,817,800
Long Term Borrowings		-	-
Other Financial Liabilities		-	-
Long - term provisions		-	-
Deferred Tax Liability (Net)	11	465,474	117,630
Other non-current liabilities		-	-
<b>Total Non-current liabilities</b>		<b>10,283,274</b>	<b>9,935,430</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Short Term Borrowings		-	-
Trade Payables	12	45,534,930	59,134,461
Other financial liabilities		-	-
Other current Liabilities	13	22,816,760	21,249,116
Short Term Provisions	14	3,654,709	3,856,609
Liabilities for current tax(net)		-	-
<b>Total Current liabilities</b>		<b>72,006,398</b>	<b>84,240,187</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>91,419,361</b>	<b>98,540,435</b>

As per our Report of even date  
**For M.L.SRINIVASAN & ASSOCIATES**  
 Chartered Accountants  
 Firm Reg No. 006505S

**M.L.SRINIVASAN**  
 Partner  
 Membership No. 203154

Date : 25.05.2019  
 Place : Chennai

**ROBERT.P.ROMANO**  
 Director

**MARY PATRICIA GALASSO**  
 Director

Date : 23.05.2019  
 Place : New Jersey, USA

**For and on behalf of the Board**

**JOHN D.ROLLO**  
 Chairman

**A.JEYA GANESAN MUTHIAH**  
 Director

**C. CHANDRACHUDAN**  
 Chief Financial Officer

**P. RAMESH**  
 Managing Director

**S. RAMESH**  
 Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

		(Amount in ₹)	
	Note	Year ended 31st March 2019	Year ended 31st March 2018
Revenue from Operations	15	183,549,219	147,896,214
Other Income	16	3,195,072	8,332,770
<b>Total Revenue</b>		<b>186,744,291</b>	<b>156,228,984</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	17	96,196,624	78,202,252
Changes in Inventories of Finished Goods and Stock-in-Process	18	(3,135,167)	(5,859,502)
Employee Benefit Expense	19	55,581,774	54,660,523
Depreciation and amortisation expenses	20	1,384,897	1,372,596
Other Expenses	21	31,603,447	28,649,063
<b>Total Expenses</b>		<b>181,631,576</b>	<b>157,024,932</b>
<b>Profit before Exceptional Items and tax</b>		<b>5,112,715</b>	<b>(795,948)</b>
Exceptional Items		-	-
<b>Profit before tax</b>		<b>5,112,715</b>	<b>(795,948)</b>
<b>Tax Expenses</b>		-	-
Current Tax		-	-
Deferred Tax		347,844	-
<b>Profit /(Loss) for the period from continuing operations</b>		<b>4,764,871</b>	<b>(795,948)</b>
<b>Profit /(Loss) from discontinuing operations</b>		-	-
Tax expenses of discontinuing operations		-	-
<b>Profit /(Loss) from discontinuing operations (after tax)</b>		-	-
<b>Net Profit /(Loss) for the period</b>		<b>4,764,871</b>	<b>(795,948)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Profit or Loss		-	-
Income Tax relating to items that will not be reclassified to Profit or Loss		-	-
Items that will be reclassified to Profit or Loss		-	-
Income Tax relating to items that will be reclassified to Profit or Loss		-	-
<b>Total Comprehensive Income for the period</b>		-	-
<b>Earning per equity share (For continuing operation):</b>			
1) Basic		1.94	(0.32)
2) Diluted		1.94	(0.32)
<b>Earning per equity share:(For Discontinued operation):</b>			
1) Basic		-	-
2) Diluted		-	-
<b>Earning per equity share (For continuing &amp; discontinued operation):</b>			
1) Basic		1.94	(0.32)
2) Diluted		1.94	(0.32)
See accompanying notes to the financial statements	1 to 21		

As per our Report of even date

**For M.L.SRINIVASAN & ASSOCIATES**

Chartered Accountants  
Firm Reg No. 006505S

**M.L.SRINIVASAN**  
Partner  
Membership No. 203154

**ROBERT.P.ROMANO**  
Director

**MARY PATRICIA GALASSO**  
Director

Date : 23.05.2019  
Place : New Jersey, USA

**For and on behalf of the Board**

**JOHN D.ROLLO**  
Chairman

**A.JEYA GANESAN MUTHIAH**  
Director

**C. CHANDRACHUDAN**  
Chief Financial Officer

**P. RAMESH**  
Managing Director

**S. RAMESH**  
Company Secretary

Date : 25.05.2019  
Place : Chennai



**CASH FLOW STATEMENT AS AT 31st MARCH 2019**  
(Amount in ₹)

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>April 1, 2018 to March 31, 2019</b>	<b>April 1, 2017 to March 31, 2018</b>
Profit before taxation and exceptional item	5,112,715	(795,948)
Adjustments for:		
Depreciation	1,384,897	1,372,596
Profit on sale of fixed assets	-	-
Interest income	<u>(250,922)</u>	<u>(290,283)</u>
	<b>1,133,975</b>	<b>1,082,313</b>
Operating profit before working capital changes	<b>6,246,690</b>	<b>286,365</b>
Adjustments for:		
(Increase)/Decrease in sundry debtors	8,737,641	(12,502,707)
(Increase)/Decrease in inventories	(4,350,114)	(12,278,087)
(Increase)/ Decrease in loans and advances	(1,330,089)	2,058,621
Increase/(Decrease) in current liabilities and provisions	<u>(12,233,789)</u>	<u>20,306,671</u>
	<b>(9,176,351)</b>	<b>(2,415,502)</b>
Cash generated from operations	<b>(2,929,661)</b>	<b>(2,129,137)</b>
Direct Taxes	-	-
<b>A. NET CASH FROM OPERATING ACTIVITIES</b>	<b>(2,929,661)</b>	<b>(2,129,137)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to fixed assets (including capital work in progress and advances)	(156,195)	(484,978)
Proceeds from sale of fixed assets	-	-
Interest received	<u>250,922</u>	<u>290,283</u>
<b>B. NET CASH USED IN INVESTING ACTIVITIES</b>	<b>94,727</b>	<b>(194,695)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share application money received	-	-
Repayment of Borrowings	-	-
<b>C. CASH FLOW FROM/ (USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>NET CASH FLOWS DURING THE YEAR (A+B+C)</b>	<b>(2,834,934)</b>	<b>(2,323,832)</b>
Cash and cash equivalents (opening balance)	<b>8,232,664</b>	<b>10,556,496</b>
Cash and cash equivalents (closing balance)	<b>5,397,730</b>	<b>8,232,664</b>

As per our Report of even date  
For **M.L.SRINIVASAN & ASSOCIATES**  
Chartered Accountants  
Firm Reg No. 006505S

**M.L.SRINIVASAN**  
Partner  
Membership No. 203154

**ROBERT.P.ROMANO**  
Director

**MARY PATRICIA GALASSO**  
Director

Date : 25.05.2019  
Place : Chennai

Date : 23.05.2019  
Place : New Jersey, USA

For and on behalf of the Board

**JOHN D.ROLLO**  
Chairman

**A.JEYA GANESAN MUTHIAH**  
Director

**C. CHANDRACHUDAN**  
Chief Financial Officer

**P. RAMESH**  
Managing Director

**S. RAMESH**  
Company Secretary



## STATEMENT OF CHANGES IN EQUITY

### A. Equity share capital

(Amount in ₹)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of Shares	Amount	No of Shares	Amount
Balance at the beginning of the reporting period	2,450,000	24,500,000	2,450,000	24,500,000
Changes in equity share capital during the year		-		-
Balance at the end of the reporting period	2,450,000	24,500,000	2,450,000	24,500,000



**B. Other equity**

(Amount in ₹)

Particulars	Reserves and Surplus			Equity Instruments through other Comprehensive Income	Effective portion of cash flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Total
	Capital Reserves	Securities Premium Reserves	Retained Earnings					
Balance as on 1st April 2017	3,500,000		(22,839,234)					(19,339,234)
Profit for the year			(795,948)					(795,948)
Other comprehensive incomes								-
Total comprehensive income for the year								-
Issue of equity shares								-
Dividends paid								-
<b>Balance as on 31st March 2018</b>	3,500,000		(23,635,182)					(20,135,182)
Balance as on 1st April 2018	3,500,000		(23,635,182)					(20,135,182)
Profit for the year			4,764,871					4,764,871
Other comprehensive incomes								-
Total comprehensive income for the year								-
Issue of equity shares								-
Dividends paid								-
<b>Balance as on 31st March 2019</b>	3,500,000		(18,870,311)					(15,370,311)

As per our Report of even date  
**For M.L.SRINIVASAN & ASSOCIATES**  
 Chartered Accountants  
 Firm Reg No. 006505S

**M.L.SRINIVASAN**  
 Partner  
 Membership No. 203154

**ROBERT.P.ROMANO**  
 Director

**MARY PATRICIA GALASSO**  
 Director

Date : 23.05.2019  
 Place : New Jersey, USA

**For and on behalf of the Board**

**JOHN D.ROLLO**  
 Chairman

**A.JEYA GANESAN MUTHIAH**  
 Director

**C. CHANDRACHUDAN**  
 Chief Financial Officer

**P. RAMESH**  
 Managing Director

**S. RAMESH**  
 Company Secretary

Date : 25.05.2019  
 Place : Chennai



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 1 CORPORATE INFORMATION

- 1.1 Switching Technologies Günther Limited (“ the Company”) is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is into the business of manufacturing and trading of Switching products. The Company commenced its manufacturing operations in a modest way.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (IND AS) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”) read with Rule 3 of Companies (Indian Accounting Standards) Rules , 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The Company has adopted all the IND AS standards and adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards.

#### 2.2 Use of Estimates

The preparation of the financial statements in conformity with IND AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known to materialise.

#### 2.3 Cash Flow Statement

Cash flows are reported using the indirect method, whereby loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and Cash Equivalents (for purposes of Cash Flow Statement)



Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **2.4 Property, Plant and Equipment**

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of profit and loss.

Subsequent to implementation of IND AS as required under IND AS 101 - First Time Adoption of Indian Accounting Standards, the plant & equipments have been adopted at historical values.

#### **2.5 Capital work-in-progress**

Projects under which tangible assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

#### **2.6 Depreciation**

Depreciation or amortisation is provided so as to write off, on a straight line basis as per the useful life prescribed in Schedule II to the Companies Act, 2013., the cost of property, plant and equipment and other intangible assets, including those held under finance leases to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period, if shorter. Depreciation on assets under construction commences only when the assets are ready for their intended use.

Freehold land is not depreciated. Leasehold land is amortised over the duration of the lease.

## **2.7 Impairment of assets**

The carrying values of assets | cash generating units at each balance sheet date are reviewed for impairment. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

## **2.8 Inventories**

Inventories are stated at the lower of cost and net realizable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution Stores and spare parts are carried at lower of cost and net realisable value. Provisions are made to cover slow moving and obsolete items based on historical experience of utilisation on a product category basis, which involves individual businesses considering their product lines and market conditions.

## **2.9 Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

(a) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

(b) Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

#### De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire

### **2.10 Provisions, Contingent liabilities and Contingent assets**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

#### Revenue Recognition

### **2.11 Sale of Goods**

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

### **2.12 Other Income**

Interest income is accounted on accrual basis. Dividend Income is accounted for when the right to receive it is established.

### **2.13 Foreign currency transactions and translations**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost. Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

### **2.14 Employee Benefits**

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

#### i) Defined Contribution Plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on

the amount of contribution required to be made and when services are rendered by the employees.

ii) Defined Benefit Plan

The liability for Gratuity to employees as at Balance Sheet date is determined on the basis of actuarial valuation based on Projected Unit Credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight- line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost. Any asset resulting from this calculation is limited to past service cost.

iii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

iv) Long Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

## 2.15 Borrowing Cost

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction /

development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

## 2.16 Segment Reporting

The Company operates in only one product – Reed Switches

Information about geographical segments :

₹ In Lakhs

Particulars	Current year		Previous Year	
	Domestic	Overseas	Domestic	Overseas
Segment Revenue	43.73	1,791.77	31.20	1,447.76

## 2.17 Earning per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

## 2.18 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.



Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

#### **2.19 Goods and Service tax input credit**

Goods and Service tax input credit is accounted for in the books in the period in which the underlying Goods or Services received is accounted and when there is reasonable certainty in availing / utilising the credits.

#### **2.20 Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current

**3 PROPERTY PLANT AND EQUIPMENT**

₹ in Lakhs

Particulars	Building	Compu- ters	Elect. Fitt	Furni- ture	Off. Equip- ments	Plant & M/c	Software	Vehicles
Cost/Deemed cost as at April 1, 2018	95.57	19.21	51.08	21.95	9.11	871.82	9.48	9.58
Addition			0.06			1.50		
Deletion								
Cost/Deemed cost as at March 31, 2019	95.57	19.21	51.14	21.95	9.11	873.32	9.48	9.58
Accumulated Depreciation as on April 1, 2018	88.87	18.96	42.58	19.42	8.98	818.33	8.32	9.58
Addition	3.16	0.21	1.13	0.38	0.08	8.28	0.62	
Deletion								
Accumulated Depreciation as on March 31, 2019	91.82	19.17	43.71	19.80	9.05	826.61	8.93	9.58
Net Carrying Value as at April 1, 2018	6.90	0.25	8.49	2.53	0.13	53.49	1.16	0.00
Net Carrying Value as at March 31, 2019	3.75	0.04	7.43	2.15	0.05	46.71	0.54	0.00



SWITCHING TECHNOLOGIES GÜNTHER LIMITED



₹ in Lakhs

Particulars	Building	Compu- ters	Elect. Fitt	Furni- ture	Off. Equip- ments	Plant & M/c	Software	Vehicles
Cost/Deemed cost as at April 1, 2017	95.57	19.15	48.77	21.95	9.11	869.33	9.48	9.58
Addition		0.06	2.31			2.49		
Deletion								
Cost/Deemed cost as at March, 31, 2018	95.57	19.21	51.08	21.95	9.11	871.82	9.48	9.58
Accumulated Depreciation as on April 1, 2017	85.51	18.62	41.61	19.04	8.90	810.24	7.61	9.58
Addition	3.16	0.34	0.97	0.38	0.08	8.09	0.71	
Deletion								
Accumulated Depreciation as on March 31, 2018	88.67	18.96	42.58	19.42	8.98	818.33	8.32	9.58
Net Carrying Value as at April 1, 2017	10.06	0.53	7.16	2.91	0.21	59.09	1.87	0.00
Net Carrying Value as at March 31, 2018	6.90	0.25	8.49	2.53	0.13	53.49	1.16	0.00



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

	(Amount in ₹)	
	As at 31st March 2019	As at 31st March 2018
<b>4. INVENTORIES</b>		
(Valued at cost and as certified by the Management)		
Raw materials	38,186,917	36,749,610
Stores and spares	2,454,763	2,677,123
Work in process	20,619,608	18,317,267
Finished goods	2,610,941	1,778,115
<b>TOTAL</b>	<u>63,872,229</u>	<u>59,522,115</u>
<b>5. TRADE RECEIVABLES</b>		
(Unsecured and Considered Good)		
More than Six months	-	-
Others	9,245,632	17,983,273
<b>TOTAL</b>	<u>9,245,632</u>	<u>17,983,273</u>
<b>6. CASH AND BANK BALANCES</b>		
Balance with Banks	5,385,448	8,213,988
Cash on Hand	12,282	18,676
<b>TOTAL</b>	<u>5,397,730</u>	<u>8,232,664</u>
<b>7. SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured and Considered Good)		
Advances and Deposits recoverable in cash or in kind or for value to be received	6,836,970	5,506,881
<b>TOTAL</b>	<u>6,836,970</u>	<u>5,506,881</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

(Amount in ₹)

	As at	
	31st March 2019	31st March 2018
<b>8. EQUITY SHARE CAPITAL</b>		
<b>Authorised Equity Share Capital :</b>		
50,00,000 Equity Shares of ₹ 10 each	<u>50,000,000</u>	<u>50,000,000</u>
<b>TOTAL</b>	<u><u>50,000,000</u></u>	<u><u>50,000,000</u></u>
<b>Issued, Subscribed and Paid up :</b>		
2,450,000 equity shares of ₹ 10 each	<u>24,500,000</u>	<u>24,500,000</u>
<b>TOTAL</b>	<u><u>24,500,000</u></u>	<u><u>24,500,000</u></u>

**8.1 RECONCILIATION OF NUMBER OF EQUITY SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE YEAR**

Particulars	As at		As at	
	31st March 2019		31st March 2018	
	No of Shares	Amount	No of Shares	Amount
Shares outstanding at the beginning of the year	2,450,000	24,500,000	24,500,000	24,500,000
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	2,450,000	24,500,000	24,500,000	24,500,000




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**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019**
**8.2 THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES**

Particulars	As at		As at	
	31st March 2019		31st March 2018	
	No of Shares Held	% of Holding	No of Shares Held	% of Holding
Gunther America Inc.	1,500,000	61 %	1,500,000	61 %

(Amount in ₹)

	As at 31st March 2019	As at 31st March 2018
<b>9. OTHER EQUITY</b>		
<b>Capital Reserve</b>		
Capital Subsidy received from State Government	<b>3,500,000</b>	3,500,000
<b>Profit and Loss Account</b>		
As per last Balance sheet	<b>(23,635,182)</b>	(22,839,234)
Add : Profit / (Loss) for the year	<b>4,764,871</b>	(795,948)
	<b>(18,870,311)</b>	(23,635,182)
<b>TOTAL</b>	<b>(15,370,311)</b>	(20,135,182)

**10. FINANCIAL LIABILITIES**

Zero Coupon Preference Shares	<b>9,817,800</b>	9,817,800
<b>TOTAL</b>	<b>9,817,800</b>	9,817,800

- a) The Company has issued 98,178 Zero Coupon Redeemable Preference Shares of ₹ 100/- each totaling to ₹ 9,817,800/- on 14-02-2009 redeemable at par after the expiry of 5 years from the date of allotment.
- b) RBI has given permission for extension of redemption of 98,178 Zero Coupon Preference Shares of ₹ 100 each allotted to M/s Gunther America Inc, 454 Allwood Road Clifton, N.J. 07012 USA for 7 years from 14-02-2014, vide their letter No.CHE:FED:FID/7630/25.19.319/2013-14 dated May 19, 2014. The preference share holders have also consented for extension of Zero Coupon Preference Shares..




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**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019**

	(Amount in ₹)	
	<b>As at 31st March 2019</b>	As at 31st March 2018
<b>11. DEFERRED TAX</b>		
Deferred Tax Liabilities	465,474	117,630
<b>TOTAL</b>	<b>465,474</b>	<b>117,630</b>
<b>12. TRADE PAYABLES</b>		
Micro, Small and Medium Enterprises	-	372,530
Others	45,534,930	58,761,931
<b>TOTAL</b>	<b>45,534,930</b>	<b>59,134,461</b>
<b>13. OTHER CURRENT LIABILITIES</b>		
Provision for Leave encashment	2,057,908	1,835,511
Provision for Gratuity	13,542,158	13,850,892
Other Current Liabilities	7,216,694	5,562,713
<b>TOTAL</b>	<b>22,816,760</b>	<b>21,249,116</b>
<b>14. SHORT TERM PROVISIONS</b>		
Provision for Bonus & Ex-Gratia	3,654,709	3,856,609
<b>TOTAL</b>	<b>3,654,709</b>	<b>3,856,609</b>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

(Amount in ₹)

	Year ended 31st March 2019	Year ended 31st March 2018
<b>15. REVENUE FROM OPERATIONS</b>		
Sales	183,549,219	147,896,214
<b>TOTAL</b>	<b>183,549,219</b>	<b>147,896,214</b>

15.1 QUANTITATIVE DETAILS OF SALES

Particulars	Year ended 31st March 2019		Year ended 31st March 2018	
	No of Shares	Amount	No of Shares	Amount
Reed Switches	4,986,583	128,809,361	4,820,245	104,956,957
Proximity Sensors	632,382	35,775,212	549,791	31,975,239
Ball Switch	1,030,000	8,211,855	969,000	7,098,430
Others	-	10,752,791	-	3,865,588
<b>TOTAL</b>	<b>6,648,965</b>	<b>183,549,219</b>	<b>6,339,036</b>	<b>147,896,214</b>

16 OTHER INCOME

Liability no longer required	-	80,42,487
Exchange Fluctuation Gain (net)	2,944,150	-
Interest Income	250,922	290,283
<b>TOTAL</b>	<b>3,195,072</b>	<b>8,332,770</b>

17 COST OF MATERIALS CONSUMED

Raw materials and components	92,414,162	75,673,093
Stores and spare parts	3,782,462	2,529,159
<b>TOTAL</b>	<b>96,196,624</b>	<b>78,202,252</b>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

17.1 PARTICULARS OF MATERIALS CONSUMED

Particulars	Year ended 31st March 2019		Year ended 31st March 2018	
	Value (₹)	% of total consump- tion	Value (₹)	% of total consump- tion
Imported	75,759,154	78.75%	60,031,620	76.76%
Indigenous	20,437,470	21.25%	18,170,632	23.24%
<b>TOTAL</b>	<b>96,196,624</b>		<b>78,202,252</b>	

17.2 MATERIALWISE RAW MATERIALS CONSUMPTION

Particulars	Unit of Measure- ment	Year ended 31st March 2019		Year ended 31st March 2018	
		Quantity	Value (₹)	Quantity	Value (₹)
		Glass tubes	Nos	7,191,550	21,976,931
Nickel iron wire	Kgs	2,939	10,986,447	2,921	9,956,647
Plating Metals and Chemicals (Including Rhodium & Gold)	Gms / ml	25,304	35,724,303	25,506	24,325,091
Other		--	27,508,943	--	27,770,840
<b>TOTAL</b>			<b>96,196,624</b>		<b>78,202,252</b>

17.3 CAPACITY AND PRODUCTION

Class of goods	Unit of Measure- ment	Licensed Capacity (annualised)		# Installed Capacity (annualised)		Actual Production	
		year ended 31-03-19	year ended 31-03-18	(on double shift basis)		year ended 31-03-19	year ended 31-03-18
		Reed switches	Nos.	16,030,000	16,030,000	17,980,000	17,980,000
Tilt Switches	Nos.	1,950,000	1,950,000	NIL	NIL	NIL	NIL
Relays	Nos.	500,000	500,000	500,000	500,000	NIL	NIL

# As certified by the management and relied upon by the auditors without verification, being a technical matter.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

**18 CHANGES IN INVENTORIES AND FINISHED GOODS AND STOCK-IN-PROCESS**

Particulars	Year ended 31st March 2019		Year ended 31st March 2018	
	Opening Inventories			
Work in process	18,317,267		12,561,512	
Finished goods	<u>1,778,115</u>	20,095,382	<u>1,674,368</u>	14,235,880
Closing Inventories				
Work in process	20,619,608		18,317,267	
Finished goods	<u>2,610,941</u>	23,230,549	<u>1,778,115</u>	20,095,382
<b>TOTAL</b>		<u><b>(3,135,167)</b></u>		<u><b>(5,859,502)</b></u>

**18.1 STOCK PARTICULARS OF FINISHED GOODS**

Particulars	As at 31st March 2019		As at 31st March 2018	
	Opening Stock	Closing Stock	Opening Stock	Closing Stock
	Value (₹)	Value (₹)	Value (₹)	Value (₹)
	Reed Switches	1,202,912	985,199	1,564,591
Proximity Sensors	575,203	1,625,742	109,777	575,203
Ball Switch	-	-	-	-
<b>TOTAL</b>	<u><b>1,778,115</b></u>	<u><b>2,610,941</b></u>	<u><b>1,674,368</b></u>	<u><b>1,778,115</b></u>

**19 EMPLOYEE BENEFIT EXPENSES**

Salaries, allowances and bonus	45,317,882	44,593,980
Gratuity	1,211,374	1,077,695
Leave Encashment	271,728	-
Contributions to provident fund and ESI	4,019,838	3,993,277
Staff welfare expenses	<u>4,760,952</u>	<u>4,995,571</u>
<b>TOTAL</b>	<u><b>55,581,774</b></u>	<u><b>54,660,523</b></u>

Contributions to provident fund are made monthly, at predetermined rates, and debited to the profit and loss account on accrual basis. Provision for Gratuity and Leave encashment has been made on the basis of Actuarial Valuation as per AS-15. The Company has subscribed to group gratuity scheme of LIC for all its employees. The date of commencement of the scheme is 26-03-2014.





NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

19.1 MOVEMENTS IN ACCRUED LIABILITY

(Amount in ₹)

	Gratuity	Leave Encashment (Unfunded)
	2018 - 19	2018 - 19
Accrued Liability as at beginning of the period	13,852,392	1,835,511
Interest Cost	-	139,797
Current Service Cost	1,211,374	309,154
Benefits Paid	(365,418)	(49,331)
Actuarial Gain / Loss	-	(177,223)
Amount deposited in Gratuity fund	(1,150,000)	-
<b>Accrued Liability as at the end of the period(Unfunded)</b>	<b>13,548,348</b>	<b>2,057,908</b>

19.2 RECONCILIATION

(Amount in ₹)

	Gratuity	Leave Encashment (Unfunded)
	2018 - 19	2018 - 19
Net Liability as at the beginning of the period	13,852,392	1,835,511
Net Expenses in P&L A/c	1,211,374	271,728
Benefits paid	(365,418)	(49,331)
Amount deposited in Gratuity fund	(1,150,000)	-
<b>TOTAL Unfunded</b>	<b>13,548,348</b>	<b>2,057,908</b>

19.3 VALUATION BASIS / ASSUMPTIONS

	Gratuity	Leave Encashment (Unfunded)
	As per LIC (1994-96) Ultimate	Ind.(2006-08)
	31st March 2019	31st March 2019
Rate of Mortality	7.50% p.a	7.26% p.a
Valuation Date	5.00% p.a	7.50% p.a
Rate of Interest	1% to 3% p.a (depending on age)	5.00% p.a
Rate of Salary Escalation	Does not arise	Does not arise
Rate of exit due to reasons other than death or retirement		
Rate of return on Plan Assets		




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**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019**

<b>19.4 Managerial Remuneration</b>	<b>Year ended</b>	<b>Year ended</b>
<b>Mr. P.Ramesh's Salary (Managing Director)</b>	<b>31st March 2019</b>	<b>31st March 2018</b>
Salaries and allowance	<b>823,751</b>	779,448
Contribution to Provident and other funds	<b>58,583</b>	53,753
Perquisites	<b>66,461</b>	62,920
<b>TOTAL</b>	<b>948,795</b>	<b>896,121</b>
<b>Mr. A.J.Muthiah's Salary(Director / Production Manager)</b>		
Salaries and allowance	<b>723,924</b>	658,632
Contribution to Provident and other funds	<b>52,609</b>	47,956
Perquisites	<b>62,373</b>	58,892
<b>TOTAL</b>	<b>838,906</b>	<b>765,480</b>
<b>MANAGERIAL REMUNERATION NET TOTAL</b>	<b>1,787,701</b>	<b>1,661,601</b>
<b>20 DEPRECIATION</b>	<b>1,384,897</b>	<b>1,372,596</b>
<b>TOTAL</b>	<b>1,384,897</b>	<b>1,372,596</b>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

	(Amount in ₹)	
	Year ended 31st March 2019	Year ended 31st March 2018
<b>21. OTHER EXPENSES</b>		
Power and Fuel	8,799,714	7,673,623
Job Work Charges	7,655,755	3,066,310
Repairs and Maintenance	1,640,533	1,201,516
Water Charges	90,380	102,690
Freight charges	5,977,377	5,150,627
Clearing & Forwarding	630,213	674,012
Professional Fees	1,088,130	1,022,189
Rent	1,392,480	1,270,980
Insurance	118,651	116,465
Rates and taxes	1,060,568	894,298
Travelling and conveyance	966,540	1,597,211
Postage and telephones	302,033	239,788
Printing and stationery	326,426	433,488
Exchange Fluctuation Loss (net)	-	3,776,753
Bank charges	142,492	114,455
Security Charges	819,525	734,852
Miscellaneous expenses	592,630	579,806
<b>TOTAL</b>	<b>31,603,447</b>	<b>28,649,063</b>
<b>21.1 PAYMENT TO AUDITORS :</b>		
Statutory and Tax Audit Fees	120,000	95,000
Professional charges	12,000	10,000
<b>TOTAL</b>	<b>132,000</b>	<b>105,000</b>
<b>21.2 EXPENDITURE IN FOREIGN CURRENCY :</b>		
Raw Materials & Components	76,996,060	66,049,924
Spares	178,786	460,421
Other Expenditure	1,651,494	1,223,286
<b>TOTAL</b>	<b>78,826,340</b>	<b>67,733,631</b>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

(Amount in ₹)

	Year ended 31st March 2019	Year ended 31st March 2018
<b>22. EARNINGS PER SHARE (EPS)</b>		
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	4,764,871	(795,948)
ii) Number of Equity Shares	2,450,000	2,450,000
iii) Basic and Diluted Earnings Per Share	1.94	(0.32)
iv) Face Value per equity share	10	10
<b>23. EARNINGS IN FOREIGN EXCHANGE</b>		
FOB Value of exports	179,176,591	144,776,207

**24. RELATED PARTY DISCLOSURES**

In (₹)

Particulars	Holding Company	Comus Intl USA	Comus Intl Bvba	Comus Europe Ltd	Comus Tech. Bvba	Comus Elect. Tech. I Pvt Ltd	Others
Sale of Goods	-Nil -	56,341,720	90,848,433	31,986,438	-Nil -	4,318,878	-Nil -
	-Nil -	(44,857,656)	(71,232,138)	(28,686,413)	-Nil -	(3,072,957)	-Nil -
Purchase of Raw Materials	-Nil -	40,066,447	-	3,530,504	-Nil -	-Nil -	-Nil -
	-Nil -	(33,618,248)	(84,279)	(7,112,729)	-Nil -	-Nil -	-Nil -
Managerial Remuneration	-Nil -	-Nil -	-Nil -	-Nil -	-Nil -	-Nil -	1,787,701
	-Nil -	-Nil -	-Nil -	-Nil -	-Nil -	-Nil -	(1,661,601)
Other Expenditure	-Nil -	1,390,426	-Nil -	206,900	-Nil -	6,288,914	-Nil -
	-Nil -	(959,235)	-Nil -	222,820	-Nil -	4,214,529	-Nil -
Balance outstanding as at Balance Sheet Date	-Nil -	28,151,148 Cr.	142,799 Cr.	441,900 Cr.	-Nil -	827,829 Dr.	-Nil -
	-Nil -	(36,489,208) Cr.	(232,573) Cr.	(2,037,334) Cr.	-Nil -	(2,015,870) Dr.	-Nil -

Note: Figures in brackets are in respect of the previous year.




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**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019**
**25. The list of related parties as identified by the management is as under**

- |    |   |                              |                   |
|----|---|------------------------------|-------------------|
| a) | Holding Company   | Gunther America Inc.         |                   |
| b) | Key Management Personnel [KMP]  | Mr. Robert P. Romano         | Director          |
|    |   | Mr. John David Rollo         | Chairman          |
|    |   | Mr. P.Ramesh                 | Managing Director |
|    |   | Ms. Mary Patricia Galasso    | Director          |
|    |   | Mr. A. Jeyaganesan Muthiah   | Director          |
| c) | Enterprise over which any person described in (b) is able to exercise significant influence. This includes enterprises owned by Directors or major share holders of the reporting Management personnel in common with the reporting enterprises | Comus International Inc.     |                   |
|    |   | Comus International Bvba     |                   |
|    |   | Comus Europe Ltd.            |                   |
|    |   | Comus Elect. Tech. I Pvt Ltd |                   |
|    |   | Comus Technology Bvba        |                   |

**26. CONTINGENT LIABILITIES AND COMMITMENTS**

The Income Tax Department has raised a demand for the Assessment Year 2012-13 amounting to ₹ 2,061,790/- which is disputed by the Company. Hence an appeal has been preferred before CIT Appeal Chennai & ACIT Company Range, Chennai .Therefore the Company has been advised that no provision for tax is required.



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

1. Registration Details			
Registration No.	18-15647	State Code	18
Balance Sheet Date	31-03-2019		
	Date Month Year		
2. Capital raised during the year (Amount in ₹ Thousands)			
Public Issue	--	Right Issue	--
3. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)			
Total Liabilities	91,419	Total Assets	91,419
Sources of Funds			
Paid-up capital	24,500	Reserves & Surplus	3,500
Preference Share capital	9,818	Other Liabilities	465.47
Application of Funds			
Net Fixed Assets	6,067	Investments	--
Net Current Assets	13,346	Debit Balance in Profit & Loss Account	18,870
4. Performance of Company (Amount in ₹ Thousands)			
Turnover	186,744	Total Expenditure	181,632
		Exceptional item	--
Profit/Loss before tax	5,113	Profit/Loss after tax	4,765
Earning per share in ₹	1.94	Dividend Rate %	--
5. Item Code No. (ITC Code No)	85.3	Product Description	REED SWITCHES
Generic Names of Three Principal Products/Services of Company (as per Monetary Terms)			

**Previous year's figure have been regrouped / recast, wherever necessary, to conform to this year's classification**

Signature to Notes on Financial Statement 1 to 26

For and on behalf of the Board  
**ROBERT P.ROMANO**, Director  
**JOHN D.ROLLO**, Chairman  
**P.RAMESH**, Managing Director  
**A.JEYAGANESAN MUTHIAH**, Director  
**MARY PATRICA GALASSO**, Director  
**C. CHANDRACHUDAN**, Chief Financial Officer  
**S. RAMESH**, Company Secretary

Place : New Jersey, USA  
 Date : 23rd May, 2019





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**SWITCHING TECHNOLOGIES GÜNTHER LIMITED**

Registered Office:

Plot No.B9 & B10, Special Economic Zone (MEPZ), Kadapperi, Tambaram, Chennai 600 045

CIN : L29142TN1988PLC015647

**ATTENDANCE SLIP**

Regd. Folio No. \_\_\_\_\_ No. of Shares \_\_\_\_\_

I certify that I am the shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the THIRTY FIRST ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 26th September, 2019 at Hotel Grand Palace, 257, G.S.T Road, Chrompet, Near MIT Gate, Chennai 600 044 at 2.30 p.m.

Member's / Proxy's name in BLOCK Letters:

Address:

Member's / Proxy's signature

Note : Only members or their proxies are allowed to attend the Meeting. Members are requested to produce the above Attendance slip duly filled in and signed in accordance with their specimen signatures registered with the Company for admission to the meeting hall.

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**NO GIFTS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING**  
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**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**SWITCHING TECHNOLOGIES GÜNTHER LIMITED**

Corporate Identification Number: L29142TN1988PLC015647

Plot No.B9 & B10, Special Economic Zone (MEPZ), Kadapperi, Tambaram, Chennai 600 045

Name of the Member(s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Folio No. / Client ID No. : \_\_\_\_\_ DP ID No. \_\_\_\_\_

I / We, being the member(s) of \_\_\_\_\_ Shares of Switching Technologies Gunther Limited, hereby appoint

1. Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_

Address : \_\_\_\_\_

Signature : \_\_\_\_\_, or failing him

2. Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_

Address : \_\_\_\_\_

Signature : \_\_\_\_\_, or failing him

3. Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_

Address : \_\_\_\_\_

Signature : \_\_\_\_\_.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty First Annual General Meeting of the Company, to be held on Thursday the 26th September, 2019 at Hotel Grand Palace, 257, G.S.T Road, Chrompet, Chennai 600 044 at 2.30 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2. Re-appointment of Mr. Jeya Ganesan Muthiah as Executive Director who retires by rotation. The retiring director is eligible for re-appointment.
3. Extension of tenure for Mr. Robert P Romano and Ms. Mary Patricia Galasso, as Independent Directors (Non-Executive) after attaining the age of seventy five years.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

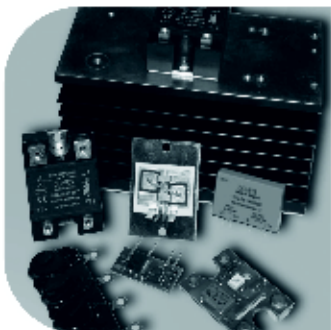
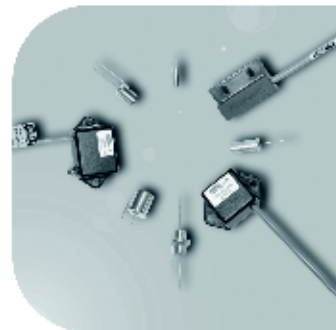
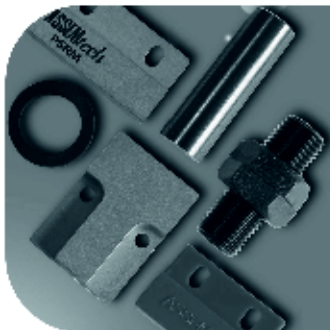
Signature of Shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

Affix 1 Rupee Revenue Stamp
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Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.







**FRONT VIEW OF STG  
Book Post**

To. ....  
.....  
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If undelivered, please return to :

**SWITCHING TECHNOLOGIES GÜNTHER LIMITED**

Plots B9 & B10, Special Economic Zone (MEPZ)

Kadapperi, Tambaram, Chennai – 600 045.

CIN No. L29142TN1988PLC015647

Phone : (91) (44) 4321 9096, (91) (44) 2262 2460

E-Mail : [stgindia@stg-india.com](mailto:stgindia@stg-india.com)