



**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

1793

Ref: BSE/SEC/1793/2021

// Through BSE Listing Centre Online//

Date: 26/08/2021

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 financial year ended 31<sup>st</sup> March, 2021**

Pursuant to the Regulation 34 of the SEBI (LODR) Regulations, 2015, we hereby attach the soft copy of the Annual Report of the Company containing the Notice, Directors Report, Financial Statements and Auditors Report for the year ended 31<sup>st</sup> March, 2021 for your records.

The Annual Reports are being despatched today to all the members by the Company's Registrar and Share Transfer Agents (RTA).

We request you to take the above information in your records.

Thanking You,

Yours faithfully,

For SWITCHING TECHNOLOGIES GUNTHER LIMITED

S.Ramesh

Company Secretary and Compliance Officer



**SWITCHING TECHNOLOGIES GÜNTHER LIMITED**

**33rd Annual Report and Accounts 2021**

# SWITCHING TECHNOLOGIES GÜNTHER LIMITED

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

E-mail: [stgindia@stg-india.com](mailto:stgindia@stg-india.com) Website: [www.switchingtechnologiesguntherltd.com](http://www.switchingtechnologiesguntherltd.com)

CIN No. L29142TN1988PLC015647

- BOARD OF DIRECTORS** : **Mr. P.RAMESH - Managing Director**  
**Mr. K.MANI - Chairman cum Executive Director**  
**Mr. KANTHIMATHINATHAN CHOCALINGAM**  
- Independent Director  
**Ms.GAYATHRI M N**  
- Independent Woman Director
- COMPANY SECRETARY** : **Mr. S.RAMESH**
- CHIEF FINANCIAL OFFICER** : **Mr. 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

## NOTICE TO THE MEMBERS

NOTICE is hereby given that the 33rd Annual General Meeting (AGM) of the Members of Switching Technologies Gunther Ltd. will be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM), on Tuesday, the 21st September, 2021 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, 2021 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint M/s.V.V. Kale & Co., Chartered Accountants, New Delhi, as the Statutory Auditors of the Company pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof and to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable goods and services tax and reimbursement of traveling and out of pocket expenses incurred by them for the purpose of audit.

### SPECIAL BUSINESS

3. Appointment of Mr. K. Mani as Chairman cum Executive Director  
To consider and if thought fit, to pass with or without modification(s) the following resolution as ordinary resolution:  
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. K. Mani (DIN: 0009267134), who was appointed as Additional Director on August 14, 2021, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Chairman cum Executive Director of the Company liable to retire by rotation.  
**RESOLVED FURTHER THAT** any of the Directors or Company Secretary be and are hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”
4. Appointment of Mr. Kanthimathinathan Chocalingam as Independent Non-Executive Director  
To consider and if thought fit, to pass with or without modification(s) the following resolution as ordinary resolution:  
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory

modification(s) or re-enactment thereof for the time being in force) Mr. Kanthimathinathan Chocalingam (DIN: 02281861), who was appointed as Additional Independent Non-Executive Director on November 11, 2020, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Independent Non-Executive Director of the Company for a period of 3 years from the date of appointment.

**RESOLVED FURTHER THAT** the any of the Directors or Company Secretary, be and are hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

5. Appointment of Ms. Gayathri M N as Independent Non-Executive Director

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Ms. Gayathri M N (DIN: 06742638) who was appointed as Additional Independent Non-Executive Director on November 11, 2020, and who holds office up to this Annual General Meeting be and is hereby appointed as Independent Non-Executive Director of the Company for a period of 3 years from the date of appointment.

**RESOLVED FURTHER THAT** any of the Directors or Company Secretary, be and are hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

6. To consider and, if thought fit, to pass with or without modification the following resolution as special resolution:

“**RESOLVED THAT** pursuant to the provisions of section 55 of the Companies Act, 2013 (“Act”) and the Companies (Share Capital and Debenture) Rules, 2014 (including any statutory modifications(s) or re-enactment(s) thereof, for the time being in force) and other applicable provisions of the Companies Act, 2013, the consent of the members of the company be and is hereby accorded to terms and conditions of Compulsory Convertible Preference Shares (“CCPS”) which are as follows:

Sr. No.	Particulars	Terms
1.	Issue	(i) Each CCPS shall be a non-cumulative, mandatorily and fully convertible preference share. (ii) Each CCPS will have a face value of ₹ 100/- (Rupees Hundred only) each.

Sr. No.	Particulars	Terms
2.	<b>Transferability</b>	The CCPS will be transferable in the manner specified in the manner as specified under the Companies Act, 2013 and the Company.
3.	<b>Dividend</b>	The holders of CCPS shall be entitled to dividend in preference to any other class of shares of the Company including any other class of CCPS.
4.	<b>Participation in surplus funds</b>	The holders of CCPS shall participate in the distribution of the surplus funds, if any at par with the equity shareholders of the Company.
5.	<b>Conversion of CCPS</b>	Each CCPS shall be convertible into 01 (one) equity share of ₹ 10/- (Rupees Ten only) each at the sole discretion of the holders of CCPS.
6.	<b>Voting Rights</b>	The holders of CCPS shall be entitled to voting rights on an as if converted basis. The holders of CCPS shall carry such voting rights as are exercisable by persons holding equity shares in the Company and shall be treated pari-passu with the equity shares on all voting matters.
7.	<b>Liquidation</b>	The holders of CCPS shall be entitled to the liquidation preference as per the applicable laws.
8.	<b>Governing Law</b>	The CCPS shall be governed and construed in accordance with the laws of India.

**RESOLVED FURTHER THAT** the board directors of the Company, be and is hereby authorized to do such other acts, deeds, matters and things as may be deemed necessary or desirable for and on behalf of the Company to give effect to afore stated resolution.”

For and on behalf of the Board

Place : Chennai  
Date : 14th August, 2021

**S. RAMESH**  
Company Secretary

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013****ITEM NO.3****Appointment of Mr. K. Mani as Chairman cum Executive Director**

Board of directors of the Company in their Meeting held on 14th August, 2021 had passed a resolution appointing Mr. K. Mani as Additional Director of the Company and Mr. K. Mani holds office of the Director till the conclusion of the ensuing Annual General Meeting.

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularisation of Mr. K. Mani as Chairman cum Executive Director of the Company.

The Board feels that the presence of Mr. K. Mani on the Board is desirable and would be beneficial to the Company and hence recommend resolution No.03 for adoption.

None of the Directors, except Mr. K. Mani is concerned or interested in this resolution.

**ITEM NO.4****Appointment of Mr. Kanthimathinathan Chocalingam as Independent Non Executive Director**

Board of directors of the Company in their Meeting held on 11th November, 2020 had passed a resolution appointing Mr. Kanthimathinathan Chocalingam as Additional Independent Non Executive Director of the Company and Mr. Kanthimathinathan Chocalingam holds office of the Independent Director till the conclusion of the ensuing Annual General Meeting.

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularisation of Mr. Kanthimathinathan Chocalingam as Independent Non Executive of the Company.

The Board feels that the presence of Mr. Kanthimathinathan Chocalingam on the Board is desirable and would be beneficial to the Company and hence recommend resolution No.04 for adoption.

None of the Directors, except Mr. Kanthimathinathan Chocalingam is concerned or interested in this resolution.

**ITEM NO.5****Appointment of Ms. Gayathri M N as Independent Non Executive Director**

Board of directors of the Company in their Meeting held on 11th November, 2020 had passed a resolution appointing Ms. Gayathri M N as Additional Independent Non Executive Director of the Company and Mr. Gayathri M N holds office of the Independent Non Executive Director till the conclusion of the ensuing Annual General Meeting.

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularisation of Ms. Gayathri M N as Independent Non Executive Director of the Company.

The Board feels that the presence of Ms. Gayathri M N on the Board is desirable and would be beneficial to the Company and hence recommend resolution No.05 for adoption.

None of the Directors, except Ms.Gayathri M N is concerned or interested in this resolution.

#### **ITEM NO.6**

The Company had issued 98,178 (Ninety Eight Thousand One Hundred and Seventy Eight) Zero-Coupon Redeemable Preference Shares of ₹ 100/- (Rupees Hundred only) each to Gunther America Inc., on February 14, 2009, redeemable at par after the expiry of 5 (five) years from the date of allotment. The Company had converted the Zero-Coupon Redeemable Preference Shares into Compulsory Convertible Preference Shares based on written consent received from the shareholder. However, the terms and conditions of issuance of such shares were not recorded. Therefore, in compliance of section 55 of the Companies Act, 2013, it is necessary to approve the terms and conditions of Compulsory Convertible Preference Shares.

The board of directors, therefore, submits the resolution for your consideration and recommends it to be passed as a special resolution. None of the directors of the Company are interested in the aforesaid resolution.

#### **NOTES:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.



3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.switchingtechnologiesguntherltd.com](http://www.switchingtechnologiesguntherltd.com) The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.
9. The Share Transfer Register and Register of Members will be closed from Wednesday the 15th September, 2021 to Tuesday the 21st September, 2021 (both days inclusive) for the purpose of AGM.

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**THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) The e-voting period begins on Saturday the 18th September, 2021 at 9.00 a.m. and ends on Monday the 20th September, 2021 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off or Record date i.e., 14th September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li data-bbox="409 314 1237 534">1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li data-bbox="409 552 1237 873">2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li data-bbox="409 890 1237 986">3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li data-bbox="409 1003 1237 1288">4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Log in method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on “Shareholders” module.
  - 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) 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 e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <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.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your

vote.

- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) 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.
- (xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - 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.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [stgindia@stg-india.com](mailto:stgindia@stg-india.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.

4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at stgindia@stg-india.com from September 17, 2021 (9.00 a.m. IST) to September 20, 2021 (5.00 p.m. IST). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at stgindia@stg-india.com These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.



If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standards issued by The Institute of Company Secretaries of India, the following information is furnished about the Directors proposed to be re-appointed.

Name of the Director	Date of Birth	Nationality	Date of Appointment	Shareholding in the Company	Qualification	Expertise in specific functional area	Directorships held in other companies	Chairmanships/ Memberships of Committees in other companies
Mr. K.Mani DIN 0009267134	7/3/1964	Indian	14/08/2021	5 shares of ₹ 10/- each	S.S.L.C.	Technical & Production	NIL	NIL
Mr.Kanthimathinathan Chocalingam DIN 02281861	9/5/1966	Indian	11/11/2020	NIL	M.A., LLB.,	Expertise in corporate secretarial and legal more than 30 years	B&P Corporate Advisors LLP	NIL
Ms.Gayathri M N DIN 06742638	17/8/1983	Indian	11/11/2020	NIL	MBA, ACS.,	Secretarial Functions	1) AADI Industries Limited 2) NEL Holdings South Limited 3) LOB Property Mgt. Pvt. Limited 4) J.F.D. India Pvt. Limited	NIL

For and on behalf of the Board

Place : Chennai

Date : 14th August, 2021

**S. RAMESH**

Company Secretary

## BOARD'S REPORT

The Board of directors of your Company take pleasure in presenting the 33rd Annual Report together with the Audited Financial Statements for the financial year ended 31st March 2021.

### FINANCIAL RESULTS

	Year ended 31.03.2021 (₹)	Year ended 31.03.2020 (₹)
Sales and other Income	<b>109,851,171</b>	132,595,169
Profit before interest and Depreciation	<b>(39,360,929)</b>	(14,438,074)
Interest	-	-
Profit before depreciation	<b>(39,360,929)</b>	(14,438,074)
Depreciation	<b>972,003</b>	1,272,428
Profit before taxation and exceptional item	<b>(40,332,932)</b>	(15,710,502)
Exceptional item	-	-
Profit before taxation after exceptional item	<b>(40,332,932)</b>	(15,710,502)
Provision for taxation		
– Current tax	-	-
– Deferred tax	-	-
Profit / (Loss) after taxation and exceptional item	<b>(40,332,932)</b>	(15,710,502)

### 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 decreased to ₹ 109.851 million in the FY ending 31st March 2021 compared to ₹ 132.595 million during the FY ended 31st March 2020. Thus the company has made an operational loss during the financial year under reporting. Your company has incurred a loss of ₹ 40,332,932 due to exchange fluctuation loss, and reduction in sales orders throughout the financial year due to 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 provisions of Companies Act 2013 or Chapter V there under. This disclosure is made as required under Rule 8(5)(v) of Chapter IX of the Companies Act, 2013.

### **DIVIDEND**

Your company in order to conserve the resources and to fund the repair & maintenance cum replacement of plant and machineries which are more than 38 years old now, and to keep pace with the latest technologies has not declared any dividend for the Financial Year 2020-21.

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

An amount of ₹ (40,332,932) 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**

It had been a difficult year as the operations of the Company were affected due to Covid. There were no sufficient business orders and supplies were also affected due to logistics issues. The prices of the raw materials had increased particularly Rodium whose prices had sky rocketed but the Company could not pass on the proportionate increase in prices to the end consumer.. However the Company had undergone cost cutting measures to bring down the losses. In this context, we also wish to inform that the sales of the Company had come down due to the above factors in particular due to the unexpected Covid pandemic last year which is a temporary phenomenon. As

a result the operational loss amounted to ₹ 40,332,932/- However the Management is confident of reviving the business of the company in the years to come through cost cutting measures and increasing the productivity and by adding new products.

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

The company is into the manufacturing of Electronic components 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. However, a little Research & Development is being done in the Badalex and Semi automatic department 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**

During the year under review, Mr.Kanthimathinathan Chocalingam and Ms.Gayathri M N were appointed as Independent Directors with effect from 11th November, 2020.

### **KEY MANAGERIAL PERSONNEL**

Your Company has Mr. P. Ramesh, Managing Director, Mr. A. Jeya Ganesan Muthiah, Mr.C.Chandrachudan, Chief Financial Officer and Mr.S.Ramesh, Company Secretary in the category of Key Managerial Personnel as mandated by the provisions of Section 203 of the Companies Act, 2013.

### **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 2020-21. 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. The Secretarial Auditor in his attached report has made an observation which is self explanatory.

### **STATUTORY AUDITORS**

The ten year term of the Statutory Auditors of the Company, M/s. M.L.Srinivasan & Associates, Chartered Accountants, Chennai had expired on 31st March, 2021. The Company has proposed M/s. V.V. Kale & Co., Chartered Accountants, New Delhi as the new Statutory Auditors of the Company for a period of 1 year from the date of this Annual General Meeting upto the conclusion of the next Annual General Meeting subject to the approval of the Shareholders in the ensuing Annual General Meeting.

### **AUDITOR'S QUALIFICATION**

The Auditors have stated in their Independent Auditors' Report that the Company has incurred net loss and the company's accumulated losses resulting in negative networth and that the company's current liabilities exceed its current assets and as to whether the company would be able to continue as a going concern in the foreseeable future.

### **ADDENDUM TO AUDITORS' REPORT**

In response to the Auditors' Qualification, the management would like to bring to the notice of all the stakeholders that it had been a difficult year as the operations of the Company were affected due to Covid. There were no sufficient business orders and supplies were also affected due to logistics issues. The prices of the raw materials had increased particularly Rodium whose prices had sky rocketed but the Company could not pass on the proportionate increase in prices to the end consumer.. However the Company had undergone cost cutting measures to bring down the losses. In this context, we also wish to inform that the sales of the Company had come down due to the above factors in particular due to the unexpected Covid pandemic last year which is a temporary phenomenon and the Management is confident of reviving the company and the ability to continue as a going concern.

### **AUDIT COMMITTEE**

The Audit Committee of your company consists of 3 Directors as at 31st March, 2021. The members of the Audit Committee are Mr.P.Ramesh, Mr.Kanthimathinathan Chocalingam and Mrs.Gayathri M N. The Audit Committee met 4 times on 20th June, 2020, 8th August 2020, 11th November, 2020 and 10th February, 2021. The Audit Committee has reviewed the Unaudited Quarterly Results and the Audited Yearly Accounts for the FY 2020-21.

### **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 loss 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

The norms/provisions of corporate governance is not applicable to your company as the Paid-up Equity Capital is not exceeding ₹ 10 Crores and Net Worth is not exceeding ₹ 25 Crores, as on the last day of the previous financial year, i.e. 31st March 2021 as per Regulation 15(2) of SEBI (Listing Obligations & Disclosures Requirement) Regulation, 2015. However the essential details are furnished in 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 05 times during the year under review.

S.No.	Name	Number of Board Meetings held during the year 2020-21	Number of Board Meetings attended during the year 2020-21
1	Mr.P.Ramesh	5	5
2	Mr.A.Jeyaganesan Muthiah	5	5
3	Mr.Kanthimathinathan Chocalingam	5	*
4	Ms.Gayathri M N	5	*

- \* Mr.Kanthimathinathan Chocalingam and Ms.Gayathri M N were appointed as Independent Directors to the Board w.e.f. 11th November 2020.

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. None of the Directors has 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. If any member is interested in obtaining a copy thereof, such member may write to the Compliance Officer, whereupon a copy would be sent.

**(g) 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 2020-21 is given in 'Annexure E' attached and forms part of this Report.



**(h) 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) -**

During the year under review, the Company had appointed Mr.Kanthimathinathan Chocalingam and Ms.Gayathri M N as Independent Directors on 11th November 2020.

**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)**

1.	<b>Details of contracts or arrangements or transactions not at arm's length basis</b>	
	(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	NIL
	(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	



2.	<b>Details of material contracts or arrangement or transactions at arm's length basis</b>	
	(a) Name(s) of the related party and nature of relationship	<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>

	(b) Nature of contracts/arrangements/ transactions	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.
	(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.

### 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

**P.RAMESH**

**A.JEYA GANESAN MUTHIAH**

Date : 14th August, 2021

Managing Director

Executive 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 31.03.2021		AS ON 31.03.2020	
	Quantity	Value	Quantity	Value
Segment wise	(in Nos.)	(₹)	(in Nos)	(₹)
Reed Switches	2,416,745	74,883,237	3,459,649	99,673,825
Proximity Sensors	358,741	25,125,678	427,916	26,490,462
Ball Switch	196,500	5,014,131	-	-
Others	-	3,977,091	-	4,359,394
<b>TOTAL</b>	<b>2,971,986</b>	<b>109,000,137</b>	<b>3,887,565</b>	<b>130,523,681</b>

##### B) Other Initiatives

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

##### C) Outlook

It had been a difficult year as the operations of the Company were affected due to Covid. There were no sufficient business orders and supplies were also affected due to logistics

issues. The prices of the raw materials had increased particularly Radium whose prices had sky rocketed but the Company could not pass on the proportionate increase in prices to the end consumer. However the Company had undergone cost cutting measures to bring down the losses. In this context, we also wish to inform that the sales of the Company had come down due to the above factors in particular due to the unexpected Covid pandemic last year which is a temporary phenomenon. As a result the operational loss amounted to ₹ 40,332,932/- However the Management is confident of reviving the business of the company in the years to come through cost cutting measures and increasing the productivity and by adding new products and reduce the scrap generation because of which, your company will be in a position to reduce the loss and be profitable in the years to come.

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 ₹ 98,17,800/- totaling 98178 Nos. of shares of ₹ 100/- each, having been issued to M/s.Gunther America Inc., which is the holding company on 14/02/2009 redeemable at par after the expiry of 5 (five) years from the date of allotment.

Reserve Bank of India (RBI) had given permission for extension of redemption of 98,178 (Ninety Eight Thousand One Hundred and Seventy Eight only) Preference Shares of ₹ 100/- (Rupees One Hundred only) each allotted to M/s.Gunther America Inc., having its registered office at 454 Allwood Road Clifton, N.J.07012 USA (Preference Shareholder) for 7 (seven) years from 14/02/2014 vide its letter No.CHE:FED:FID/7630/25.19.319/2013-14 dated 19/05/2014. The Preference Shareholder had also consented for the said extension of Preference Shares.

The Company had again applied for extension of redemption of Preference Shares for a further period of 7 (seven) years vide its letter dated 23/01/2021. RBI vide its letter dated 26/02/2021 had given its acceptance for conversion of preference shares into equity shares subject to the compliance of the required regulations.

The Company in compliance of the approval given by RBI as stated above, would initiate the conversion of the Preference Shares into Equity Shares after the due approval from the Preference Shareholder.

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 for finalisation.

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 requirement 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.

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.

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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. 2020-21, your company has posted operational loss of ₹ 40,332,932/- due to the factors as mentioned in the outlook.



## 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 ₹ 1003.94 lacs. Foreign exchange outgo on account of Imported Raw Materials, Stores and Capital Goods other expenditure was ₹ 725.21lacs.

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, 2020**

[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	68.70%
2	Proximity Sensors	DIVISION 26 / GROUP 261	23.05%

## 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	62031	2450	64481	2.63	62731	2550	65281	2.66	0.03
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 ₹ 2 lakhs	406380	179582	585962	23.92	416291	171082	587373	23.97	0.06
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	220567	0	220567	9.00	224998	0	224998	9.18	0.18
c) Others (specify)									
i) Hindu Undivided Families	71665	0	71665	2.93	69163	0	69163	2.82	-0.10
ii) Non Resident Indians	2645	0	2645	0.11	2145	0	2145	0.09	-0.02
iii) Clearing Members	3930	0	3930	0.16	290	0	290	0.01	-0.15
iv) Trusts	150	0	150	0.01	150	0	150	0.01	0.00
SUB TOTAL (B)(2):	767368	182032	949400	38.75	775768	173632	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)	767768	182232	950000	38.78	776168	173832	950000	38.78	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>2267768</b>	<b>182232</b>	<b>2450000</b>	<b>100.00</b>	<b>2276168</b>	<b>173832</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	46753	1.91	46753	1.91
	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)	6594	0.27	6594	0.27
	At the end of the year	53347	2.18	53347	2.18
2	BHARAT JAMNADAS DATTANI	32066	1.31	32066	1.31
	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)	3720	0.15	3720	0.15
	At the end of the year	35786	1.46	35786	1.46

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	ADITYA MITTAL	26800	1.09	26800	1.09
	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)	1300	0.05	1300	0.05
	At the end of the year	28100	1.15	28100	1.15
4	MADHU BALA MITTAL	26172	1.07	26172	1.07
	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)	1000	0.04	1000	0.04
	At the end of the year	27172	1.11	27172	1.11



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	KISHAN LAL MITTAL	27150	1.11	27150	1.11
	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	27150	1.11	27150	1.11
6	RADHEY SHYAM MITTAL (HUF)	26824	1.09	26824	1.09
	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	27124	1.11	27124	1.11

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	APEKSHA MITTAL	27100	1.11	27100	1.11
	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	27100	1.11	27100	1.11
8	RADHEY SHYAM MITTAL	25603	1.05	25603	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)	501	0.02	501	0.02
	At the end of the year	26104	1.07	26104	1.07

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	BHARAT JAMNADAS (HUF)	22730	0.93	22730	0.93
	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)	1396	0.06	1396	0.06
	At the end of the year	24126	0.98	24126	0.98
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**

Sl.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:**

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager						Total Amount (₹)
		Mr. P. Ramesh	Mr. A. Jeyaganesan Muthiah	Mr. S. Ramesh	Mr. C. Chandra-chudan	Mr.Kanthimathinathan Chocalingam Independent Director	Ms.Gayathri M N Independent Woman Director	
1	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	9,06,993	7,73,994	6,20,054	4,44,315	-	-	27,45,356
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	42,853	38,645	3,812	35,006	-	-	1,20,316

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager						Total Amount (₹)
		Mr. P. Ramesh	Mr. A. Jeyaganesan Muthiah	Mr. S. Ramesh	Mr. C. Chandrachudan	Mr. Kanthimathinathan Chocalingam Independent Director	Ms. Gayathri M N Independent Woman Director	
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-			-
2	Stock option	-	-					-
3	Sweat Equity	-	-	-	-			-
4	Commission as % of profit	-	-	-	-			-
	others (specify)	-	-	-	-			-
5	Others, please specify	-	-	-	-			-
6	Sitting Fees	-	-	-	-	55,000	65,000	1,20,000
	Total (A)	9,49,846	8,12,639	6,23,866	4,79,321	55,000	65,000	29,85,672

**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 0.77%.
- (3) The percentage increase in the median remuneration of employees in the financial year was 2.96%.
- (4) The number of permanent employees on the rolls of company as on 31st March, 2021 is 115.
- (5) The average increase in remuneration of the employees was -0.412%. 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 0.77%
- (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 31.03.2020	As at 31.03.2021	Percentage Increase/ (Decrease)
Market Capitalisation (₹ in Crores)	6.55	7.36	12.34
Price Earnings Ratio	(257.50)	33.00	(87.18)
Current Market Price	26.75	30.05	12.34

- 8) The closing market price of the shares of the Company as at March 31, 2021 was ₹ 30.05/- (BSE) and as at March 31, 2020 was ₹ 26.75/- (BSE). The increase/ decrease in the market quotations of the shares of the company is as tabled below;

Date	March 31, 2020	March 31, 2021
Market Price as on	26.75	30.05

- (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, Executive Director, Chief Financial Officer and Company Secretary is indicated below:

Name of KMP	Particulars of Remuneration	As on 31st March, 2021	As on 31st March, 2020
Mr. P. Ramesh- Managing Director	Salaries and Allowances	847,479.00	839,763.00
	Contribution to PF and other Funds	59,514.00	60,395.00
	Perquisites	42,853.00	70,512.00
Mr. A Jeya Ganesan Muthiah- Executive Director	Salaries and Allowances	720,285.00	716,907.00
	Contribution to PF and other Funds	53,709.00	54,379.00
	Perquisites	38,645.00	66,364.00
Mr. C. Chandrachudan Chief Financial Officer	Salaries and Allowances	407,342	401,961.00
	Contribution to PF and other Funds	36,973	36,601.00
	Perquisites	35,006	32,897.00
Mr. S. Ramesh- Company Secretary	Salaries and Allowances	5,77,074	572,447.00
	Contribution to PF and other Funds	42,980	43,304.00
	Perquisites	3,812	3,682.00
<b>TOTAL</b>		<b>28,65,671.00</b>	<b>2,899,212.00</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, 2021**

**[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, 2021, 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, 2021 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 during the financial year, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors subject to the following observations.

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 less than seven days in applicable cases with the consent of all the directors in accordance with the provisions of the Act 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.

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) *Two Independent Directors on the Board of the Company had resigned from the Company on 18.09.2020 & 19.09.2020 thereby falling below the minimum number of Directors required in case of a public company under Section 149(1) of the Companies Act, 2013. The Company subsequently appointed 2 Independent Directors on 11.11.2020 and complied with the provisions of the Act. The Management had informed that due to the COVID pandemic situation prevailing at that point of time, it took them less than two months time to induct new independent directors and the delay in appointing new directors was not intentional.*
- (b) *Two Independent Directors of the Company who were members of the NRC had resigned from the Company on 18.09.2020 & 19.09.2020. The Company subsequently appointed 2 Independent Directors on 11.11.2020 and appointed Chairman on 10.02.2021 and reconstituted the NRC with 2 Independent Directors and Chairman with effect from 10.02.2021. The Management had informed that due to the COVID pandemic situation prevailing at that point of time, it took them less than two months time to induct new independent directors and the delay in appointing new directors was not intentional.*

We further report that during the audit period:

- (i) During the financial year under review, Mr. P. Ramesh has been re-appointed as Managing Director of the Company with the approval of the Board for a further period of 5 years with effect from 24th July, 2020 and the said re-appointment was ratified by the shareholders at the Annual General Meeting held on 24th September, 2020.
- (ii) During the financial year, two Independent Directors viz., Mrs. Mary Patricia Galasso has resigned from the Board with effect from 18th September, 2020 and Mr. Robert Paul Romano resigned with effect from 19th September, 2020.
- (iii) During the year, Mr. Kanthimathinathan Chocalingam and Mrs. Gayathri Muttur Nagaraj were appointed as Additional Independent Directors of the Company by the Board of Directors with effect from 11th November, 2020.
- (iv) During the financial year, the Company has appointed Mr. Jeya Ganesan Muthiah Ayyasamy, Executive Director as 'Chairperson' of the Company with effect from 10th February, 2021.

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

Place : Chennai  
Date :14th August, 2021

Sd/-  
G. SREENIVASA RAO  
(M.NO. FCS-5691 & C.P. NO. 4966)  
UDIN: F005691C000785459

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.

Our 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 : 14th August, 2021

Sd/-  
G. SREENIVASA RAO  
(M.NO. FCS-5691 & C.P. NO. 4966)  
UDIN: F005691C000785459

## APPENDIX-‘B’

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**[Pursuant to Regulation 34(3) and Schedule V Para-C Sub-clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

- We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. SWITCHING TECHNOLOGIES GUNTHER LIMITED having CIN: L29142TN1988PLC015647 and having registered office situated at Plot Nos. B-9 & B-10, Madras Export Processing Zone, Kadapperi, Tambaram, Chennai - 600045 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below as on the date of Financial Year ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the company by the Securities and Exchange Board of India and/or the Registrar of Companies or Ministry of Corporate Affairs or any such statutory authority.

Sl. No.	Name of the Director	Director Identification Number (DIN)	Date of Appointment in the Company	Designation and Remarks, if any
1	Mr. Padmanabhapillai Ramesh	00661963	24.07.2015	Managing Director
2	Mr. Jeya Ganesan Muthiah Ayyasamy	07211705	17.06.2015	Director
3	Mr. Kanthimathinathan Chocalingam	02281861	11.11.2020	Additional Independent Director
4	Ms. Gayathri Muttur Nagaraj	06742638	11.11.2020	Additional Independent Woman Director



It is the responsibility of the management of the Company to ensure the eligibility for the appointments of Directors and their continuance as Directors on the Board. Our responsibility is to express an opinion on the matter and this certificate 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 : 14th August, 2021

Sd/-  
G. SREENIVASA RAO  
(M.NO. FCS-5691 & C.P. NO. 4966)  
UDIN: F005691C000785404

## 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 paternistic 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 as on 31st March, 2021 comprises of 4 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 2020-21, five 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.P.Ramesh	Managing Director	5	5	Yes	No	Nil
Mr.A.Jeya Ganesan Muthiah	Executive Director	5	5	Yes	No	Nil
Mr.Kanthimathinathan Chocalingam	Non-Executive-Independent Director	5	**	**	No	Nil
Ms.Gayathri M N	Non-Executive-Independent Director	5	**	**	1) AADI Industries Limited 2) NEL Holdings South Limited 3) LOB Property Mgt. Pvt. Limited 4) J.F.D. India Pvt. Limited	Nil

\*\* Mr.Kanthimathinathan Chocalingam and Ms.Gayathri M N were appointed as Independent Directors with effect from 11th November, 2020.

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 and Executive Director for the year ended March 31, 2021.

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	847,479	42,853	59,514	949,846
Mr. A. Jeya Ganesan Muthiah	-N.A-	Nil	720,285	38,645	53,709	812,639

### 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.P.Ramesh	Member	-	-
Mr.Jeya Ganesan Muthiah	-	Member	Member
Ms.Gayathri M N	Member	Member	Chairperson
Mr.Kanthimathinathan Chocalingam	Chairman	Chairman	Member

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

Name of Meeting	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee
Meetings Held	4	1	1
Directors' Attendance:			
Mr.P. Ramesh	Yes	-	-
*Mr.Kanthimathinathan Chocalingam	Yes	Yes	Yes
*Ms.Gayathri M N	Yes	Yes	Yes
Mr.Jeya Ganesan Muthiah	-	Yes	Yes

\* Mr.Kanthimathinathan Chocalingam and Ms.Gayathri M N were appointed as Independent Directors w.e.f.11th November, 2020

**(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/and 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:- S..Ramesh, Company Secretary and Compliance Officer.

There are no pending share transfers as on March 31, 2021.

#### (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 2018	Hotel Grand Palace, 257, G.S.T Road, Chennai 600 044.	27/09/2018	2.30 p.m
September 2019	Hotel Grand Palace, 257, G.S.T Road, Chennai 600 044.	26/09/2019	2.30 p.m
September 2020	Through Audio/Video Conferencing Mode	24/09/2020	2.30 p.m

##### b) Details of Special Resolutions passed in last 3 AGMs

Year	Special Resolution Passed
September 2018	Nil
September 2019	Nil
September 2020	Nil

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

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

## 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, 2021, 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.



## 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, 2021.

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 : 28th June 2021

**M.L.SRINIVASAN**  
Partner  
Membership No. 203154  
UDIN : 21203154AAAACJ7488

## 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 2021, 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, 2021, the Loss 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 ethical 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.



### **Emphasis of Matter**

We draw attention to the Notes in the Financial Statements. The company has incurred net loss of ₹ 4,03,32,932/- during the year ended 31st March, 2021 and as of that date, the Company's accumulated losses aggregate to ₹ 7,49,13,744/- resulting in complete erosion of its net worth. Further, as of that date, Company's current liabilities exceeded its current assets by ₹ 4,08,54,632/- . These factors along with other matters as set forth in said notes raise substantial doubt about the Company's ability to continue as a going concern in the foreseeable future. However, the Company's financial statement has been prepared on going concern basis as disclosed by management in said note. Our opinion is not modified in respect of this matter.

### **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 stated 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, other 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 no 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.

- e) On the basis of written representations received from the directors as on 31 March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021, 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 it 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  
UDIN : 21203154AAAACI5400

Place : Chennai

Date : 28th June 2021

## **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 Gunther 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 Gunther Limited ("the Company") as of 31 March 2021 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 Management 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. 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 2021, 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

Place : Chennai  
Date : 28th June 2021

**M.L.SRINIVASAN**  
Partner  
Membership No. 203154  
UDIN : 21203154AAAACI5400

## 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 Günther 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, 2020 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, Goods and Service Tax, Customs Duty, Excise duty, Cess, and other material statutory dues applicable to it with the appropriate authorities.
  - b. There was no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Excise duty, Cess, and other material statutory dues in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.

- 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  
UDIN : 21203154AAAACI5400

Place : Chennai  
Date : 28th June 2021





**BALANCE SHEET AS AT 31st MARCH, 2021**

	Note	As at 31st March 2021	As at 31st March 2020
(Amount in ₹)			
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and equipment	3	4,224,162	5,092,162
Capital work-in-progress		-	-
Intangible Assets	3	-	9,406
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>4,224,162</b>	<b>5,101,568</b>
<b>Current Assets</b>			
Inventories	4	71,932,260	65,006,880
Financial assets		-	-
Current Investments		-	-
Trade Receivables	5	16,961,373	10,488,122
Cash and cash equivalents	6	102,040	140,795
Short Term Loans and Advances	7	5,218,116	6,515,569
Assets for current tax(net)		-	-
Other Current Assets		-	-
<b>Total Current Assets</b>		<b>94,213,789</b>	<b>82,151,367</b>
<b>TOTAL ASSETS</b>		<b>98,437,951</b>	<b>87,252,935</b>
<b>EQUITIES AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	8	24,500,000	24,500,000
Other Equity	9	(71,413,744)	(31,080,813)
<b>TOTAL EQUITY</b>		<b>(46,913,744)</b>	<b>(6,580,813)</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	465,474
Other non-current liabilities		-	-
<b>Total Non-current liabilities</b>		<b>10,283,274</b>	<b>10,283,274</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Short Term Borrowings		-	-
Trade Payables	12	109,243,963	58,512,623
Other financial liabilities		-	-
Other current Liabilities	13	21,182,730	20,990,398
Short Term Provisions	14	4,641,728	4,047,452
Liabilities for current tax(net)		-	-
<b>Total Current liabilities</b>		<b>135,068,421</b>	<b>83,550,473</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>98,437,951</b>	<b>87,252,935</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

**For and on behalf of the Board**

**A.JEYA GANESAN MUTHIAH**  
 Director

**P. RAMESH**  
 Managing Director

**C. CHANDRACHUDAN**  
 Chief Financial Officer

**S. RAMESH**  
 Company Secretary

Date : 28.06.2021  
 Place : Chennai  
 UDIN:20203154AAAABF5629

Date : 28.06.2021  
 Place : Chennai - 45



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

		(Amount in ₹)	
	Note	Year ended 31st March 2021	Year ended 31st March 2020
Revenue from Operations	15	109,000,137	130,523,681
Other Income	16	851,034	2,071,508
<b>Total Revenue</b>		<b>109,851,171</b>	<b>132,595,189</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	17	79,812,351	70,781,747
Changes in Inventories of Finished Goods and Stock-in-Process	18	(4,137,519)	(7,099,246)
Employee Benefit Expense	19	53,045,423	56,553,786
Depreciation and amortisation expenses	20	972,003	1,272,428
Other Expenses	21	20,491,845	26,796,976
<b>Total Expenses</b>		<b>150,184,103</b>	<b>1,48,305,691</b>
<b>Profit before Exceptional Items and tax</b>		<b>(40,332,932)</b>	<b>(15,710,502)</b>
Exceptional Items		-	-
<b>Profit before tax</b>		<b>(40,332,932)</b>	<b>(15,710,502)</b>
<b>Tax Expenses</b>		-	-
Current Tax		-	-
Deferred Tax		-	-
<b>Profit /(Loss) for the period from continuing operations</b>		<b>(40,332,932)</b>	<b>(15,710,502)</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>(40,332,932)</b>	<b>(15,710,502)</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		(16.46)	(6.41)
2) Diluted		(16.46)	(6.41)
<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		(16.46)	(6.41)
2) Diluted		(16.46)	(6.41)
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

**For and on behalf of the Board**

**A.JEYA GANESAN MUTHIAH**

Director

**P. RAMESH**

Managing Director

**C. CHANDRACHUDAN**

Chief Financial Officer

**S. RAMESH**

Company Secretary

Date : 28.06.2021

Place : Chennai

UDIN:20203154AAAABF5629

Date : 28.06.2021

Place : Chennai - 45

**CASH FLOW STATEMENT AS AT 31st MARCH 2021**  
(Amount in ₹)

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>April 1, 2020 to March 31, 2021</b>	<b>April 1, 2019 to March 31, 2020</b>
Profit before taxation and exceptional item	(40,332,932)	(15,710,502)
Adjustments for:		
Depreciation	972,003	1,272,428
Profit on sale of fixed assets	-	-
Interest income	<u>(130,493)</u>	<u>(194,261)</u>
	<b>841,510</b>	<b>1,078,167</b>
Operating profit before working capital changes	<b>(39,491,422)</b>	<b>(14,632,335)</b>
Adjustments for:		
(Increase)/Decrease in sundry debtors	<b>(6,473,251)</b>	(1,242,491)
(Increase)/Decrease in inventories	<b>(6,925,380)</b>	(1,134,652)
(Increase)/ Decrease in loans and advances	<b>1,297,453</b>	321,400
Increase/(Decrease) in current liabilities and provisions	<b>51,517,948</b>	11,544,076
	<b>39,416,772</b>	<b>9,488,333</b>
Cash generated from operations	<b>(74,650)</b>	<b>(5,144,001)</b>
Direct Taxes	-	-
<b>A. NET CASH FROM OPERATING ACTIVITIES</b>	<b>(74,650)</b>	<b>(5,144,001)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to fixed assets (including capital work in progress and advances)	<b>(94,598)</b>	(307,195)
Proceeds from sale of fixed assets	-	-
Interest and other income	<b>130,493</b>	194,261
<b>B. NET CASH USED IN INVESTING ACTIVITIES</b>	<b>35,895</b>	<b>(112,934)</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>(38,755)</b>	<b>(5,256,935)</b>
Cash and cash equivalents (opening balance)	<b>140,795</b>	5,397,730
Cash and cash equivalents (closing balance)	<b>102,040</b>	140,795

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 : 28.06.2021  
Place : Chennai

For and on behalf of the Board

**A.JEYA GANESAN MUTHIAH**  
Director

**C. CHANDRACHUDAN**  
Chief Financial Officer

Date : 28.06.2021  
Place : Chennai - 45

**P. RAMESH**  
Managing Director

**S. RAMESH**  
Company Secretary

## STATEMENT OF CHANGES IN EQUITY

### A. Equity share capital

(Amount in ₹)

Particulars	As at March 31, 2021		As at March 31, 2020	
	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 2019	3,500,000		(18,870,311)					(15,370,311)
Profit for the year			(15,710,502)					(15,710,502)
Other comprehensive incomes								
Total comprehensive income for the year								
Issue of equity shares								
Dividends paid								
<b>Balance as on 31st March 2020</b>	3,500,000		(34,580,813)					(31,080,813)
Balance as on 1st April 2020	3,500,000		(34,580,813)					(31,080,813)
Profit for the year			(40,332,932)					(40,332,932)
Other comprehensive incomes								
Total comprehensive income for the year								
Issue of equity shares								
Dividends paid								
<b>Balance as on 31st March 2021</b>	3,500,000		(74,913,744)					(71,413,744)

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 : 28.06.2021  
 Place : Chennai

**For and on behalf of the Board**

**A.JEYA GANESAN MUTHIAH**  
 Director

**P. RAMESH**  
 Managing Director

**C. CHANDRACHUDAN**  
 Chief Financial Officer

**S. RAMESH**  
 Company Secretary

Date : 28.06.2021  
 Place : Chennai - 45

## 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.

#### 2.2 Going Concern

The company has reported net loss of ₹ 40,332,932/- during the current year and reported accumulated losses of ₹ 74,913,744/- as at 31st March, 2021. Further owing to the accumulated losses as at 31st March 2021 the Company’s net-worth is eroded completely. However, the accompanying financial statements have been prepared on a going concern basis, as the management is confident on the Company’s ability to continue as a going concern for a foreseeable future in view of the revised business strategy and performance improvement measures undertaken by the management.

#### 2.3 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.

## 2.4 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.

## 2.5 Property, Plant and Equipment

An item of property, plant and equipment is recognised as an asset if it is probable that the the ture 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 Accouting Standards, the plant & equipments have been adopted at historical values.

## 2.6 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.

## 2.7 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.

## 2.8 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.

## 2.9 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.



## 2.10 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

## 2.11 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

## 2.12 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.

## 2.13 Other Income

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

## 2.14 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.

## 2.15 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.

## 2.16 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 or 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.

## 2.17 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	86.06	1003.94	112.26	1192.98

## 2.18 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 I reverse share splits and bonus shares, as appropriate.

## **2.19 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.

## **2.20 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.

## **2.21 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, 2020	95.57	19.66	51.17	22.11	9.11	875.74	9.48	9.58
Addition			0.22			0.72		
Deletion			0.27	0.10	0.02			
Cost/Deemed cost as at March 31, 2021	95.57	19.66	51.12	22.02	9.09	876.46	9.48	9.58
Accumulated Depreciation as on April 1, 2020	94.35	19.38	44.85	20.18	9.11	834.57	9.38	9.58
Addition	0.21	0.16	1.14	0.39		7.72	0.09	
Deletion			0.27	0.10	0.02			
Accumulated Depreciation as on March 31, 2021	94.56	19.55	45.71	20.48	9.09	842.29	9.48	9.58
Net Carrying Value as at April 1, 2020	1.22	0.28	6.32	1.93	0.00	41.18	0.09	0.00
Net Carrying Value as at March 31, 2021	1.01	0.11	5.41	1.54	0.00	34.18	0.00	0.00

₹ in Lakhs

Particulars	Building	Computers	Elect. Fitt	Furniture	Off. Equipments	Plant & M/c	Software	Vehicles
Cost/Deemed cost as at April 1, 2019	95.57	19.21	51.14	21.95	9.11	873.32	9.48	9.58
Addition		0.45	0.03	0.16		2.43		
Deletion								
Cost/Deemed cost as at March 31, 2020	95.57	19.66	51.17	22.11	9.11	875.74	9.48	9.58
Accumulated Depreciation as on April 1, 2019	91.82	19.17	43.71	19.80	9.05	826.61	8.93	9.58
Addition	2.529	0.21	1.13	0.38	0.05	7.96	0.45	
Deletion								
Accumulated Depreciation as on March 31, 2020	94.35	19.38	44.85	20.18	9.11	834.57	9.38	9.58
Net Carrying Value as at April 1, 2019	3.75	0.04	7.43	2.15	0.05	46.71	0.54	0.00
Net Carrying Value as at March 31, 2020	1.22	0.28	6.32	1.93	0.00	41.18	0.09	0.00

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

	(Amount in ₹)	
	As at 31st March 2021	As at 31st March 2020
<b>4. INVENTORIES</b>		
(Valued at cost and as certified by the Management)		
Raw materials	35,126,439	32,327,262
Stores and spares	2,338,507	2,349,823
Work in process	32,188,031	24,589,302
Finished goods	2,279,283	5,740,493
<b>TOTAL</b>	<b>71,932,260</b>	<b>65,006,880</b>
<b>5. TRADE RECEIVABLES</b>		
(Unsecured and Considered Good)		
More than Six months	-	-
Others	16,961,374	10,488,122
<b>TOTAL</b>	<b>16,961,374</b>	<b>10,488,122</b>
<b>6. CASH AND BANK BALANCES</b>		
Balance with Banks	74,737	102,953
Cash on Hand	27,303	37,842
<b>TOTAL</b>	<b>102,040</b>	<b>140,795</b>
<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	5,218,116	6,515,569
<b>TOTAL</b>	<b>5,218,116</b>	<b>6,515,569</b>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

(Amount in ₹)

	<b>As at 31st March 2021</b>	<b>As at 31st March 2020</b>
<b>8. EQUITY SHARE CAPITAL</b>		
<b>Authorised Equity Share Capital :</b>		
50,00,000 Equity Shares of ₹ 10 each	<b>50,000,000</b>	50,000,000
<b>TOTAL</b>	<b>50,000,000</b>	50,000,000
<b>Issued, Subscribed and Paid up :</b>		
2,450,000 equity shares of ₹ 10 each	<b>24,500,000</b>	24,500,000
<b>TOTAL</b>	<b>24,500,000</b>	24,500,000

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

<b>Particulars</b>	<b>As at 31st March 2021</b>		<b>As at 31st March 2020</b>	
	<b>No of Shares</b>	<b>Amount</b>	<b>No of Shares</b>	<b>Amount</b>
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

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

## 8.2 THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Particulars	As at 31st March 2021		As at 31st March 2020	
	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 2021	As at 31st March 2020
<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>(34,580,813)</b>	(18,870,311)
Add : Profit / (Loss) for the year	<b>(40,332,932)</b>	(15,710,502)
	<b>(74,913,744)</b>	(34,580,813)
<b>TOTAL</b>	<b>(71,413,744)</b>	(31,080,813)

## 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) Switching Technologies Gunther Limited (Company) had issued 98,178 (Ninety Eight Thousand One Hundred and Seventy Eight only) Zero Coupon Redeemable Preference Shares (Preference Shares) of ₹ 100/- (Rupees One Hundred only) each totalling to ₹ 98,17,800/- (Ninety Eight Lakh Seventeen Thousand and Eight Hundred only) on 14/02/2009 redeemable at par after the expiry of 5 (five) years from the date of allotment.
- b) Reserve Bank of India (RBI) had given permission for extension of redemption of 98,178 (Ninety Eight Thousand One Hundred and Seventy Eight only) Preference Shares of ₹ 100/- (Rupees One Hundred only) each allotted to M/s.Gunther America Inc., having its registered office at 454 Allwood Road Clifton, N.J.07012 USA (Preference Shareholder) for 7 (seven) years from 14/02/2014 vide its letter No.CHE:FED:FID/7630/25.19.319/2013-14

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021**

dated 19/05/2014. The Preference Shareholder had also consented for the said extension of Preference Shares.

- c) The Company had again applied for extension of redemption of Preference Shares for a further period of 7 (seven) years vide its letter dated 23/01/2021. RBI vide its letter dated 26/02/2021 had given its acceptance for conversion of preference shares into equity shares subject to the compliance of the required regulations.
- d) The Company in compliance of the approval given by RBI as stated above, would initiate the conversion of the Preference Shares into Equity Shares after the due approval from the Preference Shareholder.

	(Amount in ₹)	
	As at 31st March 2021	As at 31st March 2020
<b>11. DEFERRED TAX</b>		
Deferred Tax Liabilities	465,474	465,474
<b>TOTAL</b>	<b>465,474</b>	<b>465,474</b>
<b>12. TRADE PAYABLES</b>		
Micro, Small and Medium Enterprises	-	-
Others	109,243,962	58,512,622
<b>TOTAL</b>	<b>109,243,962</b>	<b>58,512,622</b>
<b>13. OTHER CURRENT LIABILITIES</b>		
Provision for Leave encashment	1,969,674	2,057,908
Provision for Gratuity	12,077,348	13,542,158
Other Current Liabilities	6,943,376	7,216,694
<b>TOTAL</b>	<b>20,990,398</b>	<b>22,816,760</b>
<b>14. SHORT TERM PROVISIONS</b>		
Provision for Bonus & Ex-Gratia	4,641,727	4,047,451
<b>TOTAL</b>	<b>4,641,727</b>	<b>4,047,451</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

(Amount in ₹)

	Year ended 31st March 2021	Year ended 31st March 2020
<b>15. REVENUE FROM OPERATIONS</b>		
Sales	130,523,681	183,549,219
<b>TOTAL</b>	<b>130,523,681</b>	<b>183,549,219</b>

## 15.1 QUANTITATIVE DETAILS OF SALES

Particulars	Year ended 31st March 2021		Year ended 31st March 2020	
	No of Shares	Amount	No of Shares	Amount
	Reed Switches	2,416,745	74,883,237	3,459,649
Proximity Sensors	358,741	25,125,678	427,916	26,490,462
Ball Switch	196,500	5,014,131	-	-
Others	-	3,977,091	-	4,359,394
<b>TOTAL</b>	<b>2,971,986</b>	<b>1,09,000,137</b>	<b>3,887,565</b>	<b>130,523,681</b>

## 16 OTHER INCOME

Liability no longer required	-	1,877,247
Exchange Fluctuation Gain (net)	720,541	-
Other Income	65,500	-
Interest Income	64,993	194,261
<b>TOTAL</b>	<b>851,034</b>	<b>2,071,508</b>

## 17 COST OF MATERIALS CONSUMED

Raw materials and components	78,181,407	68,460,555
Stores and spare parts	1,630,944	2,321,192
<b>TOTAL</b>	<b>79,812,351</b>	<b>70,781,747</b>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

17.1 PARTICULARS OF MATERIALS CONSUMED

Particulars	Year ended 31st March 2021		Year ended 31st March 2020	
	Value (₹)	% of total consump- tion	Value (₹)	% of total consump- tion
Imported	46,986,017	82.23%	57,208,523	80.82%
Indigenous	10,153,948	17.77%	13,573,224	19.18%
<b>TOTAL</b>	<b>57,139,965</b>		<b>70,781,747</b>	

17.2 MATERIALWISE RAW MATERIALS CONSUMPTION

Particulars	Unit of Measure- ment	Year ended		Year ended	
		31st March 2021		31st March 2020	
		Quantity	Value (₹)	Quantity	Value (₹)
Glass tubes	Nos	2,964,940	10,026,210	4,272,980	14,714,656
Nickel iron wire	Kgs	1,541	7,241,509	2,272	8,906,936
Plating Metals and Chemicals (Including Rhodium & Gold)	Gms / ml	9,161	44,895,953	18,729	32,104,376
Other		--	17,648,680	--	15,055,780
<b>TOTAL</b>			<b>79,812,352</b>		<b>70,781,747</b>

17.3 CAPACITY AND PRODUCTION

Class of goods	Unit of Measure- ment	Licensed Capacity		# Installed Capacity		Actual Production	
		(annualised)		(annualised)			
		year ended 31-03-21	year ended 31-03-20	(on double shift basis)		year ended 31-03-21	year ended 31-03-20
Reed switches	Nos.	16,030,000	16,030,000	17,980,000	17,980,000	2,925,009	3,951,641
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, 2021

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

Particulars	Year ended 31st March 2021		Year ended 31st March 2020	
	Opening Inventories			
Work in process	24,589,302		20,619,608	
Finished goods	5,740,493	30,329,795	2,610,941	23,230,549
Closing Inventories				
Work in process	32,188,031		24,589,302	
Finished goods	2,279,283	34,467,314	5,740,493	30,329,795
<b>TOTAL</b>		<b>(4,137,519)</b>		<b>(7,099,246)</b>

## 18.1 STOCK PARTICULARS OF FINISHED GOODS

Particulars	As at 31st March 2021		As at 31st March 2020	
	Opening Stock	Closing Stock	Opening Stock	Closing Stock
	Value (₹)	Value (₹)	Value (₹)	Value (₹)
	Reed Switches	4,810,871	1,975,002	985,199
Proximity Sensors	929,622	304,281	1,625,742	929,622
Ball Switch	-	-	-	-
<b>TOTAL</b>	<b>5,740,493</b>	<b>2,279,283</b>	<b>2,610,941</b>	<b>5,740,493</b>

## 19 EMPLOYEE BENEFIT EXPENSES

Particulars	As at 31st March 2021	As at 31st March 2020
	Salaries, allowances and bonus	43,160,706
Gratuity	1,274,622	1,219,750
Leave Encashment	1,051,482	734,880
Contributions to provident fund and ESI	3,823,223	4,068,409
Staff welfare expenses	3,735,390	5,105,234
<b>TOTAL</b>	<b>53,045,423</b>	<b>56,553,786</b>

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, 2021

## 19.1 MOVEMENTS IN ACCRUED LIABILITY

(Amount in ₹)

	Gratuity	Leave Encashment (Unfunded)
	2020-21	2020-21
Accrued Liability as at beginning of the period	12,033,538	1,969,674
Interest Cost	-	124,533
Current Service Cost	1,274,622	230,417
Benefits Paid	(1,141,760)	(47,684)
Actuarial Gain / Loss	-	(210,845)
Amount deposited in Gratuity fund	-	-
<b>Accrued Liability as at the end of the period(Unfunded)</b>	<b>12,166,400</b>	<b>2,066,095</b>

## 19.2 RECONCILIATION

(Amount in ₹)

	Gratuity	Leave Encashment (Unfunded)
	2020-21	2020-21
Net Liability as at the beginning of the period	12,033,538	1,969,674
Net Expenses in P&L A/c	1,274,622	144,105
Benefits paid	(1,141,760)	(47,684)
Amount deposited in Gratuity fund	-	-
<b>TOTAL Unfunded</b>	<b>12,166,400</b>	<b>2,066,095</b>

## 19.3 VALUATION BASIS / ASSUMPTIONS

	Gratuity	Leave Encashment (Unfunded)
Rate of Mortality	As per LIC (1994-96) Ultimate	Ind.(2006-08)
Valuation Date	31st March 2021	31st March 2021
Rate of Interest	7.50% p.a	6.40% p.a
Rate of Salary Escalation	5.00% p.a	7.50% p.a
Rate of exit due to reasons other than death or retirement	1% to 3% p.a (depending on age)	5.00% p.a
Rate of return on Plan Assets	Does not arise	Does not arise

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

<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 2021</b>	<b>31st March 2020</b>
Salaries and allowance	<b>847,479</b>	839,763
Contribution to Provident and other funds	<b>59,514</b>	60,395
Perquisites	<b>42,853</b>	70,512
<b>TOTAL</b>	<b>949,846</b>	<b>970,670</b>
<b>Mr. A.J.Muthiah's Salary(Director / Production Manager)</b>		
Salaries and allowance	<b>720,285</b>	716,907
Contribution to Provident and other funds	<b>53,709</b>	54,379
Perquisites	<b>38,645</b>	66,364
<b>TOTAL</b>	<b>812,639</b>	<b>837,650</b>
<b>Mr.C.Chandrachudan's Salary (Chief Financial Officer)</b>		
Salaries and allowance	<b>407,342</b>	401,961
Contribution to Provident and other funds	<b>36,973</b>	36,601
Perquisites	<b>35,006</b>	32,897
<b>TOTAL</b>	<b>479,321</b>	<b>471,459</b>
<b>Mr.S.Ramesh's Salary (Company Secretary)</b>		
Salaries and allowance	<b>577,074</b>	572,447
Contribution to Provident and other funds	<b>42,980</b>	43,304
Perquisites	<b>3,812</b>	20,812
<b>TOTAL</b>	<b>623,866</b>	<b>636,563</b>
<b>MANAGERIAL REMUNERATION NET TOTAL</b>	<b>2,865,671</b>	<b>2,916,342</b>
<b>20 DEPRECIATION</b>	<b>972,003</b>	1,272,428
<b>TOTAL</b>	<b>972,003</b>	<b>1,272,428</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

(Amount in ₹)

	Year ended 31st March 2021	Year ended 31st March 2020
<b>21. OTHER EXPENSES</b>		
Power and Fuel	5,025,885	7,572,660
Job Work Charges	3,762,042	4,067,296
Repairs and Maintenance	977,710	1,407,045
Water Charges	-	33,950
Freight charges	4,339,210	4,040,202
Clearing & Forwarding	393,467	402,862
Professional Fees	690,534	940,054
Rent	1,487,772	1,613,596
Insurance	225,959	121,464
Rates and taxes	1,436,040	2,477,672
Travelling and conveyance	96,445	483,426
Postage and telephones	141,956	181,363
Printing and stationery	176,251	291,688
Exchange Fluctuation Loss (net)	-	1,478,568
Bank charges	32,492	71,395
Security Charges	1,120,440	846,808
Sitting Fees	1,20,000	-
Miscellaneous expenses	465,642	766,927
<b>TOTAL</b>	<b>20,491,845</b>	<b>26,796,976</b>
<b>21.1 PAYMENT TO AUDITORS :</b>		
Statutory and Tax Audit Fees	120,000	120,000
Professional charges	12,000	12,000
<b>TOTAL</b>	<b>132,000</b>	<b>132,000</b>
<b>21.2 EXPENDITURE IN FOREIGN CURRENCY :</b>		
Raw Materials & Components	72,034,396	50,738,189
Spares	342,785	463,349
Other Expenditure	143,385	561,620
<b>TOTAL</b>	<b>72,520,566</b>	<b>51,763,158</b>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

(Amount in ₹)

	Year ended 31st March 2021	Year ended 31st March 2020
<b>22. EARNINGS PER SHARE (EPS)</b>		
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	<b>(40,332,932)</b>	(15,710,502)
ii) Number of Equity Shares	<b>2,450,000</b>	2,450,000
iii) Basic and Diluted Earnings Per Share	<b>(16.46)</b>	(6.41)
iv) Face Value per equity share	<b>10</b>	10
<b>23. EARNINGS IN FOREIGN EXCHANGE</b>		
FOB Value of exports	<b>100,394,056</b>	119,297,695

**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 -	33,828,809	40,539,986	26,025,261	-Nil -	8,606,081	-Nil -
	-Nil -	(34,812,033)	(59,845,777)	(24,639,885)	-Nil -	(11,225,986)	-Nil -
Purchase of Raw Materials	-Nil -	55,590,245	849,546	2,542,965	-Nil -	-Nil -	-Nil -
	-Nil -	(31,339,973)	-	(2,175,003)	-Nil -	-Nil -	-Nil -
Managerial Remuneration	-Nil -	-Nil -	-Nil -	-Nil -	-Nil -	-Nil -	2,865,671
	-Nil -	-Nil -	-Nil -	-Nil -	-Nil -	-Nil -	(2,916,342)
Other Expenditure	-Nil -	134,521	8,864	-	-Nil -	2,667,409	-Nil -
	-Nil -	(481,525)	-Nil -	(54,153)	-Nil -	(2,559,809)	-Nil -
Balance outstanding as at Balance Sheet Date	-Nil -	93,076,505 Cr.	546,827 Cr.	6,106,767 Dr.	-Nil -	2,865,408 Dr.	-Nil -
	-Nil -	(49,176,340) Cr.	(142,799) Cr.	(2,292,850) Cr.	-Nil -	(3,508,972) Dr.	-Nil -

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

**25. CONTINGENT LIABILITIES AND COMMITMENTS**

There is no contingent liabilities as on 31st March 2021.

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

1. Registration Details			
Registration No.	18-15647	State Code	18
Balance Sheet Date	31-03-2021	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	98,438	Total Assets	98,438
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	4,224	Investments	--
Net Current Assets	-40,855	Debit Balance in Profit & Loss Account	74,914
4. Performance of Company (Amount in ₹ Thousands)			
Turnover	109,851	Total Expenditure	150,184
		Exceptional item	--
Profit/Loss before tax	-40,333	Profit/Loss after tax	-40,333
Earning per share in ₹	-16.46	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 25

Date : 28th June, 2021  
Place : Chennai - 45

For and on behalf of the Board  
**P.RAMESH**, Managing Director  
**A.JEYAGANESAN MUTHIAH**, Director  
**C. CHANDRACHUDAN**, Chief Financial Officer  
**S. RAMESH**, Company Secretary