

**AUDITORS REPORT**

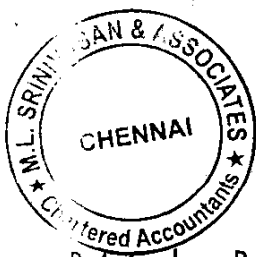
We have audited the attached Balance Sheet of Switching Technologies Gunther Limited as at March 31, 2013 and also the Profit and loss account and Cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4 A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order to the extent they are applicable to the company.

Further to our comments in the Annexure referred to above, we report that:

- (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) 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;
- (iii) the Balance Sheet, Profit and Loss account and the Cash flow statement dealt with by this report are in agreement with the books of account;

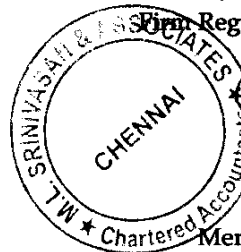




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- (iv) in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) on the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and Notes there on give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a. in the case of the Balance sheet, of the state of affairs of the Company as at March 31, 2013;
- b. in the case of the Statement of Profit and loss account, of the Profit for the year ended on that date; and
- c. in the case of the Cash flow statement, of the cash flows for the year ended on that date;

For M L Srinivasan & Associates  
Chartered Accountants  
Registration No.006505S



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

Place: Chennai  
Date : 07-06-2013



## ANNEXURE TO AUDITORS REPORT

**Annexure referred to in paragraph 3 of the auditors' report to the members of Switching Technologies Gunther Limited on the accounts for the year ended 31<sup>st</sup> March 2013**

i. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. The Company has formulated a programme of physical verification of all the fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, fixed assets have been physically verified as at the end of the year by the management and no material discrepancies were noticed on such verification.

During the year, the Company has not disposed off any substantial part of fixed assets, and therefore paragraph 4(i) (c) of the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as 'the Order') is not applicable.

ii (a) Physical verification of inventories was conducted by the management at the year end.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the records of inventory and in our opinion, the Company is maintaining proper records of inventory and no material discrepancies have been noticed on physical verification of inventories as compared to the books and records.

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 301 of the Companies Act, 1956 and therefore paragraph 4(iii) of the order is not applicable.

iv. In our opinion and according to information and explanations given to us, having regard to the explanation that most of the items purchased / sold are of a special nature for which alternative quotations are not available, there are adequate internal control systems commensurate with size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the purchase or sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses, if any, in internal control system.



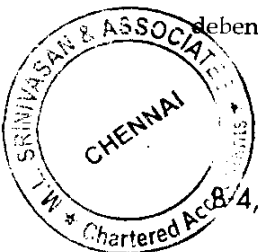
# M.L. SRINIVASAN & ASSOCIATES

CHARTERED ACCOUNTANTS



## ANNEXURE TO AUDITORS REPORT

- v. In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions of purchase of goods and material and sale of goods, materials and services made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 and therefore paragraph 4(v) of the Order is not applicable.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore paragraph 4(vi) of the Order is not applicable.
- vii. In our opinion the Company has an internal audit system which is commensurate with the size and nature of its business.
- viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales tax, Excise duty, Cess, Investor Education Protection Fund, Wealth tax, VAT and other material statutory dues, if any, applicable to it with the appropriate authorities during the year. As at the last day of the financial year, there are no arrears of such undisputed statutory dues outstanding for a period of more than six months from the date they became payable.
- (b) As at 31<sup>st</sup> March 2013 according to the records of the Company, there are no disputed dues on account of Sales tax, Excise duty, Customs duty, Income tax, Service tax and Cess.
- x. The accumulated losses at the end of the year are more than fifty percent of its net worth and the Company has not incurred cash losses during the current financial year as well as in the previous financial year.
- xi. The Company had availed vehicle loan during the financial year 2008-09 from a bank and has paid the installments due during the financial year 2012-13, without default. No loans have been availed from financial institution during the financial year 2012-13.
- xii. The Company has not granted any loans or advances on the basis of security by way pledge of shares, debentures and other securities and therefore paragraph 4(xii) of the Order is not applicable.



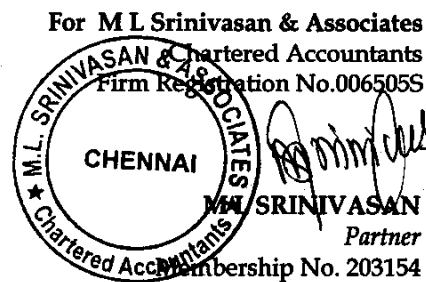
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- xiii. The provisions of any special statute applicable to chit fund and Nidhi/Mutual benefit fund/Society are not applicable to the Company and therefore paragraph 4(xiii) of the Order is not applicable.
- xiv. The Company is not dealing or trading in shares, securities, debentures and other investments and therefore paragraph 4(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions and therefore paragraph 4(xv) of the Order is not applicable.
- xvi. The Company had not availed any term loans during the year and therefore paragraph 4(xvi) of the Order is not applicable.
- xvii. The company has not availed any short term loans during the year.
- xviii. The company has not made any preferential allotment of shares during the year and therefore paragraph 4(xviii) of the Order is not applicable.
- xix. The Company has not issued any debentures during the year and therefore paragraph 4(xix) of the Order is not applicable.
- xx. The Company has not raised any money by way of public issues during the year and therefore paragraph 4(xx) of the Order is not applicable.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.



Place: Chennai  
Date : 07-06-2013