


# **SWITCHING TECHNOLOGIES GÜNTHER LIMITED**


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

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



**GÜNTHER AMERICA**

454 Allwood Road  
Clifton, NJ 07012 USA  
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**COMUS**

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454 Allwood Road  
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Fax : 973-777-8405  
Email : info@comus-intl.com


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Email : info@comus.be



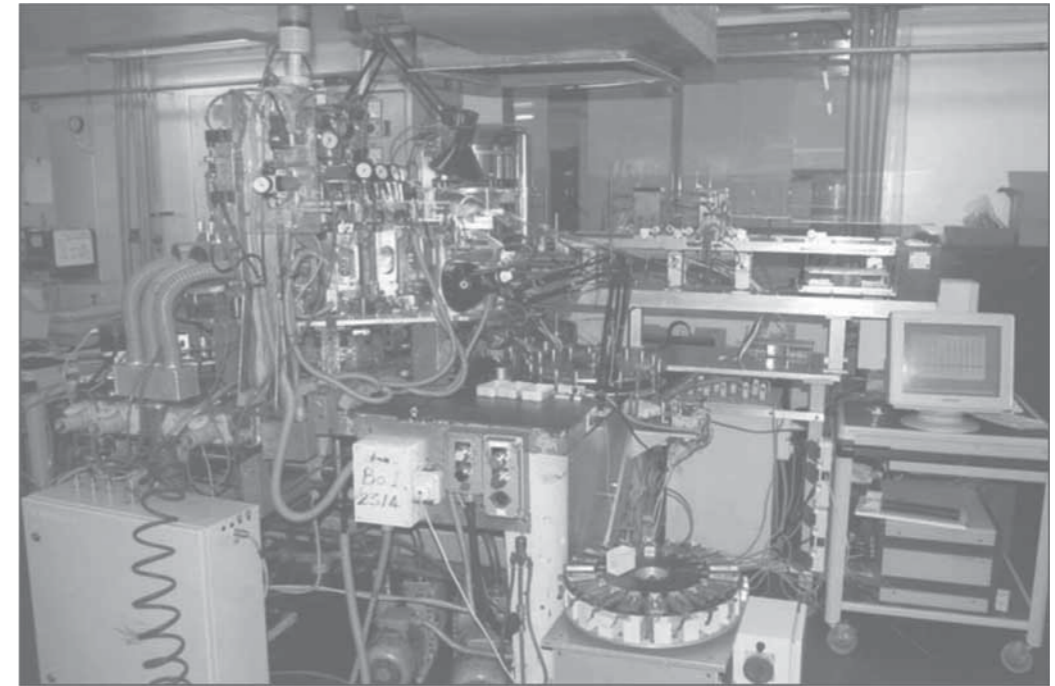
**ASSEMtech  
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**STG**

**SWITCHING TECHNOLOGIES  
GÜNTHER LIMITED**

Plots: B9, B10 & C1,  
Special Economic Zone (MEPZ),  
Kadapperi, Tambaram,  
Chennai 600 045



**AUTOMATIC REED SWITCH SEALING MACHINE**



**RHODIUM & GOLD COMPUTERISED AUTOMATIC PLATING LINE**

**SWITCHING TECHNOLOGIES GÜNTHER LIMITED**

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

**NOTICE TO THE MEMBERS**

NOTICE is hereby given that the 22nd Annual General Meeting of the members of Switching Technologies Gunther Ltd. will be held on Thursday, the 23rd September, 2010 at Hotel Grand Palace, 257, G.S.T. Road, Chromepet, Near MIT Gate, Chennai 600 044 at 2.30 p.m. to transact the following business:

**AS ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Profit and Loss Account and Cash Flow Statement for the period ended 31st March 2010 and the Balance Sheet as on that date and the Reports of the Directors' and Auditor's thereon.
2. To appoint a Director in the place of Mr. John D Rollo, who retires by rotation and is eligible for reappointment.
3. To appoint Auditors and to fix their remuneration.

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

For and on behalf of the Board

Place : New Jersey, USA  
Date : 30th May 2010

**JOHN D.ROLLO**  
Chairman

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, TO BE VALID, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING.
2. Members / Proxies should bring the Attendance Slips sent herewith duly filled in for attending the meeting and hand it over at the entrance.
3. Members are requested to bring their copies of the Annual Report to the meeting.
4. Members are requested to immediately intimate any change in their address registered with the Company quoting their respective Folio Number(s).
5. Members who have multiple folios in identical names or joint names in the same order are requested to intimate to the Company these folios to enable the Company to consolidate all such shareholdings into one folio.
6. The Share transfer Register and Register of Members will be closed from Tuesday the 21st September, 2010 to Thursday, 23rd September, 2010 (both days inclusive)

## DIRECTORS' REPORT

The Board of Directors of your company presents their 22nd Annual Report together with the audited accounts for the financial year ended 31st March 2010.

<b>FINANCIAL RESULTS</b>	<b>Year ended 31.03.2010 (Rs.)</b>	<b>Year ended 31.03.2009 (Rs.)</b>
Sales and other Income	65,951,903	107,625,397
Profit before interest and depreciation	1,235,378	1,597,600
Interest	--	--
Profit before depreciation	1,235,378	1,597,600
Depreciation	1,565,383	1,616,952
Profit before taxation and exceptional item	(330,005)	(19,353)
Exceptional item	--	--
Profit before taxation after exceptional item	(330,005)	(19,353)
Provision for taxation		
- Current	--	--
- Fringe benefit tax	--	175,067
Profit / (Loss) after taxation and exceptional item	(330,005)	(194,420)

### PERFORMANCE OF THE COMPANY

The Sales and other income during the year was marginally down at Rs. 65.95 million compared to Rs. 107.63 million during the year ended 2009. This was because of the severe market recession globally and domestically. Despite the tough recession time, your company is proud to present much better position, in that, with the help of cost cutting measures, productivity enhancement measures and scrap generation control measures being in place, the company could still post a profit before depreciation at Rs. 1.23 million.

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

## **AUDITOR'S QUALIFICATION**

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

## **FUTURE PROSPECTS**

It is again a pleasure to inform all the August Members that, operational performance of the company has been much satisfactory given against the back drop of extreme recession. Though sales turn over has been comparatively lesser, comparing previous financial year, however, company could still ensure posting positive operational results. This could be achieved due to intense and dedicated cost cutting drive besides other measures resorted to by the present management.

The Management is taking various steps to improve the profitability of the company. However due to stiff competition and global uncertainties, the company is affected and it is expected that it will take a couple of years for the company to make reasonable and sizeable profits.

The Management is finding difficult to mobilize loans, etc. from the bank due to appearance of the carried forward losses in the Balance Sheet which in result depicts STG as a loss making company, despite posting operational profits. The Management is therefore contemplating the ways and means to get out of this impasse which among others includes contemplating the scheme of arrangement as provided in the Companies Law in vogue.

The Management is in constant touch with its consultants in this regard. If Management succeeds in getting out of this impasse, the Company will be in a better position to mobilize funds towards Capital Loan / Working Capital and accordingly it can render much better operational results, which is otherwise posing as a constrain in enhancement of business / productivity.

## **DEPOSITS**

The Company has neither invited nor accepted any deposits during the year.

## **DIRECTORS**

Pursuant to provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. John D Rollo retires by rotation at the ensuing Annual General Meeting.

## **PARTICULARS OF EMPLOYEES**

There were no employees within the purview of Sec. 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

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

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

## **AUDITORS**

The Auditors of the Company, M/s. R Subramanian and Company, Chartered Accountants, Chennai retires at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

## **PERSONNEL**

The industrial relations continued to remain cordial throughout the period.

## **DEMATERIALISATION OF SHARES**

To facilitate the dematerialization of shares your company has appointed M/s. Cameo Corporate Services Limited, Chennai as Electronic Share Transfer Agent for providing electronic connectivity with National Securities Depository Ltd. and Central Depository Services (India) Ltd. Cameo Corporate Services Limited, Chennai is handling the dematerialization of shares and share transfers – both electronic and physical.

## **LISTING WITH STOCK EXCHANGES**

Your company's shares are listed in Mumbai Stock Exchange. The listing continued throughout the year and the listing fees due to date have been paid.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the requirements of Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

1. In the preparation of annual accounts, the applicable Accounting Standards have been followed.
2. The Directors had selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the Loss of the Company for the year.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a 'Going Concern' basis.



## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information required under Sec.217 (1)(e) of the Companies Act, 1956 and rules framed there under relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in the Annexure, forming part of this report.

### **ACKNOWLEDGEMENT**

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

For and on behalf of the Board

Place : New Jersey, USA

Date : 30th May 2010

**JOHN D.ROLLO**

CHAIRMAN

## **ANNEXURE TO DIRECTORS' REPORT**

Information as required under Section 217(1)(e) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

### **CONSERVATION OF ENERGY:**

Adequate repairs and maintenance of production facilities and improvements in infrastructure were carried out throughout the financial year for achieving energy conservation.

### **TECHNOLOGY ABSORPTION:**

Presently the Company does not have a technical collaboration.

### **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Foreign Exchange earned on the export of Reed Switches and others on FOB basis during the period under review amounts to Rs. 647.95 lacs. Foreign exchange outgo on account of Imported Raw Materials, Stores and Capital Goods was Rs. 206.70 lacs whereas expenditure in foreign currency on account of Interest was Rs. Nil.

For and on behalf of the Board

Place : New Jersey, USA

Date : 30th May 2010

**JOHN D.ROLLO**

CHAIRMAN

## COMPLIANCE CERTIFICATE

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

To

The Members

MESSRS. SWITCHING TECHNOLOGIES GÜNTHER LIMITED

Plots B9, B10 & C1, Madras Export Processing Zone,

Kadapperi, Tambaram, Chennai - 600 045.

I have examined the registers, records, books and papers of SWITCHING TECHNOLOGIES GÜNTHER LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2010. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities.
3. The Company is a Public limited Company and has the minimum prescribed paid up capital.
4. The Board of Directors duly met Five (5) times on 30th June 2009, 31st July 2009, 24th September 2009, 31st October 2009 and 30th January 2010 in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 21.09.09 to 24.09.09 (both days inclusive) after duly complying with the provisions of the Act during the financial year ended 31st March 2009.



6. The annual general meeting for the financial year ended on 31st March 2009 was held on 24th September 2009 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra ordinary General meeting(s) was held during the financial year.
8. As per the information provided, the Company has not advanced any loans or given any guarantees or provided any securities to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. As per the information provided, the Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Board of Directors have approved the issue of duplicate share certificates during the financial year ended 31st March, 2010.
13. The Company:
  - (i) has delivered all the certificates on transfer in accordance with the provisions of the Act. The company has not effected any allotment of securities during the financial year ended 31st March, 2010.
  - (ii) has not declared any dividend and was not required to deposit any amount in a separate Bank Account within five days from the date of declaration of such dividend.
  - (iii) was not required to pay/post warrants for dividends to all the members.
  - (iv) has no unpaid/ unclaimed dividend to be transferred to unpaid dividend account /Investor Education and Protection Fund.
  - (v) has not issued any shares or debentures and has not accepted any deposits and hence the question of transfer of application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a financial year of seven years to Investor Education and Protection Fund does not arise.
  - (vi) has complied with the requirements of section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Director(s)/ Alternate director(s), and directors to fill casual vacancy during the financial year.
15. The Company has appointed Mr. P Ramesh as Managing director with effect from 28th March 2009 in accordance with the provisions of Section 269 and continues to hold office during the year. The Company has not appointed any Whole time Director/ Manager during the financial year ended 31st March, 2010.
16. The Company has not appointed any sole selling agents during the financial year ended 31st March, 2010.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director and / or such authorities prescribed under the various provisions of the Act during the financial year ended 31st March, 2010.
18. The directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year ended 31st March, 2010.
20. The Company has not bought back any shares during the financial year ended 31st March, 2010 and hence the question of complying with the buy back provisions does not arise.
21. The Company has not redeemed preference share capital during the financial year under review. The company has not issued debentures and hence the question of redemption of debentures does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the financial year ended 31st March, 2010.
24. As per the information provided and as per the Auditors report, the amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31st March 2010 are within the borrowing limits of the company.
25. The Company has not made loans and investments, or given guarantees or provided securities to other bodies corporate.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's Registered Office from one State to another during the financial year under scrutiny.

27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the financial year under scrutiny and complied with provisions of the Act.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the financial year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to the Share capital of the Company during the financial year under scrutiny and complied with the provisions of the Act.
30. The Company has not altered its Articles of Association during the financial year ended 31st March, 2010.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year ended 31st March, 2010.
33. The Company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under Section 418 of the Act.

Place : Chennai  
Date : 30th May 2010

**K.J.Lakshmi**  
Company Secretary in Practice  
Mem No: 21246; CP No: 7786

**‘Annexure A’**

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

**Registers as maintained by the Company**

<b>Sl. No.</b>	<b>Section Number</b>	<b>Name of the Register</b>
1.	108	Share Transfer Register
2.	143	Register of Charges
3.	150	Register of Members
4.	193	Minutes of the meetings of Board of Directors
5.	193	Minutes of the meetings of the Members
6.	301	Register of Contracts
7.	303	Register of Directors
8.	307	Register of Directors’ Shareholding

Place : Chennai  
 Date : 30th May 2010

**K.J.Lakshmi**  
 Company Secretary in Practice  
 Mem No: 21246; CP No: 7786

**‘Annexure B’**

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

**RETURNS/ DOCUMENTS / FORMS FILED WITH THE REGISTRAR OF COMPANIES  
 FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2010 [01.04.2009 TO 31.3 .2010]**

Sl. No.	Form No.	Relevant Section	Description	Service request Number / Date of filing	Whether filed within the prescribed time Yes/ No	If delay in filing whether requisite additional fee paid Yes/No	Amount Paid
1.	32	264(2)	Registration of Appointment of Mr. Padmanabha Pillai Ramesh as Managing Director on 28th March 2009.	A60680063 26-04-2009	Yes	NA	Rs.500
2.	32	303(2)	Registration of cessation of Mr. Yash Dev Trehan as Managing Director on 27th March 2009	A60676855 26-04-2009	Yes	NA	Rs.500
3.	25C	269(2)	Appointment of Mr. P Ramesh as Managing Director by Board on 27th March 2009 w.e.f 28th March 2009 to 27th March 2012	A64705528 04-07-2009	No	Yes	Rs.1000
4.	23AC & ACA	220	Balance sheet as on 31st March 2009 and profit and loss account for the year ended 31st March 2009 along with Notice and Directors report thereon.	P37630712 27.10.2009	No	Yes	Rs.1000
5.	66	383A	Compliance Certificate pursuant to section 383A of the Companies Act, 1956, and rule 3(2) of the Companies (Compliance Certificate) Rules, 2001	P37123981 24.10.2009	Yes	NA	Rs.500
6.	20B	159	Annual return for the financial year ending on 31-03-2009	P41714882 22.11.2009	Yes	NA	Rs.500

**REGIONAL DIRECTOR, CENTRAL GOVERNMENT & OTHER AUTHORITIES NIL**

**K.J.Lakshmi**

Place : Chennai  
 Date : 30th May 2010

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

**REPORT OF THE AUDITORS TO THE MEMBERS OF SWITCHING  
TECHNOLOGIES GUNTHER LIMITED**

We have audited the attached Balance Sheet of Switching Technologies Gunther Limited as at March 31, 2010 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;
- (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 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) The Accounts for the year has been prepared on the basis that the Company is a "Going Concern" (Refer note 2(ii));
- (vii) Subject to our comments in paragraph (vi) above, the effect of which on the financial statements could not be determined, in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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, 2010;
  - b. in the case of the Profit and loss account, of the loss for the year ended on that date;
  - c. in the case of the Cash flow statement, of the cash flows for the year ended on that date;

**For R.Subramanian and Company**  
Chartered Accountants  
**N.KRISHNAMURTHY**  
Partner

Place : Chennai  
Date : 24-06-2010

Membership No. 19339  
Firm Regn. No. 004137S

**Annexure referred to in paragraph 3 of the auditor's report to the members of Switching Technologies Günther Limited on the accounts for the year ended 31st March 2010**

- 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 a 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.
- 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 been informed that the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the Company's products and therefore paragraph 4(viii) of the Order is not applicable.
- 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, Customs duty, Excise duty, Cess, Service tax, 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 except for Provident Fund dues amounting to Rs. 1,02,399/- and Rs. 20,943/- relating to financial year 2006-07 and 2007-08 respectively, Which have since been remitted to the appropriate authorities.

- (b) As at 31st March 2010 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 2009-10, without default. No loans have been availed from financial institution during the financial year 2009-10.
- 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.
- 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 issued any debentures during the year and therefore paragraph 4(xviii) of the Order is not applicable.
- xix. The Company has not raised any money by way of public issues during the year and therefore paragraph 4(xix) of the Order is not applicable.
- xx. 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.

For **R.Subramanian and Company**  
Chartered Accountants

**N.KRISHNAMURTHY**  
Partner

Membership No. 19339  
Firm Regn. No. 004137S

Place : Chennai  
Date : 24-06-2010





**BALANCE SHEET AS AT 31st MARCH, 2010**

SOURCES OF FUNDS	SCHEDULE	(in Rupees)	(in Rupees)
		As at 31st March, 2010	As at 31st March, 2009
<b>Shareholders' funds :</b>			
Share capital	1	34,317,800	34,317,800
Reserves and surplus	2	<u>3,500,000</u>	<u>3,500,000</u>
		37,817,800	37,817,800
Share Application Money Pending Allotement		-	-
<b>SECURED LOANS:</b>			
Car Loan from HDFC Bank (Secured by hypothecation of Vehicle)		765,400	979,000
<b>TOTAL</b>		<u><u>38,583,200</u></u>	<u><u>38,796,800</u></u>
<b>APPLICATION OF FUNDS</b>			
Fixed assets	3		
Gross Block		101,501,736	101,480,716
Less : Depreciation		<u>88,904,991</u>	<u>87,339,607</u>
Net Block		12,596,745	14,141,109
<b>Current assets, loans and advances</b>			
Inventories	4	19,438,357	23,087,002
Sundry debtors	5	3,422,589	3,543,671
Cash and bank balances	6	94,794	2,471,869
Loans and advances	7	<u>2,187,980</u>	<u>2,748,202</u>
		<u>25,143,720</u>	<u>31,850,744</u>
<b>Less: Current Liabilities and provisions</b>			
Current liabilities	8	12,526,671	20,110,021
Provisions		<u>12,997,002</u>	<u>13,121,434</u>
		<u>25,523,673</u>	<u>33,231,455</u>
Net Current assets/(liabilities)		(379,953)	(1,380,711)
Profit and loss account		<u>26,366,408</u>	<u>26,036,402</u>
<b>TOTAL</b>		<u><u>38,583,200</u></u>	<u><u>38,796,800</u></u>
Notes to the accounts	11	(0)	(0)

Per our report attached

For **R.SUBRAMANIAN AND COMPANY**

Chartered Accountants

**N.KRISHNAMURTHY**  
Partner

**ROBERT P.ROMANO**  
Director

**JOHN D.ROLLO**  
Chairman

For and on behalf of the Board

**MICHEL VANDERVELPEN**  
Director

**P.RAMESH**  
Managing Director

Membership No.19339  
Firm Regn.No. 004137S

Place : Chennai  
Date : 24th June, 2010

Place : USA  
Date : 30th May, 2010


**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010**

		(in Rupees) As at	(in Rupees) As at
	Schedule	31st March, 2010	31st March, 2009
<b>INCOME</b>			
Sales		65,344,100	103,088,720
Other Income	9	607,803	4,536,677
		<u>65,951,903</u>	<u>107,625,397</u>
<b>EXPENDITURE</b>			
Manufacturing and other expenses	10	64,726,185	105,846,362
Depreciation		1,565,383	1,616,952
		<u>66,291,568</u>	<u>107,463,314</u>
Profit / (Loss) before taxation		(339,665)	162,083
Prior Period Adjustments (Net)		9,660	(181,436)
Profit / (Loss) before taxation		(330,005)	(19,353)
<b>Provision for taxation :</b>			
- Current Tax		-	-
- Fringe Benefit Tax		-	175,067
Profit / (Loss) after taxation		(330,005)	(194,420)
Balance (Loss) brought forward		(26,036,402)	(25,841,982)
(Loss) carried forward		<u>(26,366,408)</u>	<u>(26,036,402)</u>
Notes to the accounts	11	(0)	(0)
Earnings per share (after exceptional item)			
Basic and diluted		(0.13)	(0.08)

Per our report attached

For **R.SUBRAMANIAN AND COMPANY**

Chartered Accountants

**N.KRISHNAMURTHY**  
 Partner

**ROBERT P.ROMANO**  
 Director

**JOHN D.ROLLO**  
 Chairman

For and on behalf of the Board

**MICHEL VANDERVELPEN**  
 Director

**P.RAMESH**  
 Managing Director

 Membership No.19339  
 Firm Regn.No. 004137S

 Place : Chennai  
 Date : 24th June, 2010

 Place : USA  
 Date : 30th May, 2010



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010**

	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation and exceptional item	(330,005)	(19,353)
Adjustments for:		
Depreciation	1,565,383	1,616,952
Unrealised Exchange Fluctuation (net)	(328,042)	(271,969)
Interest expense	-	-
Loss on assets sold/scrapped	-	45,724
Interest income	(71,008)	71,593
	<u>1,166,333</u>	<u>1,462,300</u>
Operating profit before working capital changes	836,327	1,442,947
Adjustments for:		
(Increase)/Decrease in sundry debtors	121,082	(1,076,884)
(Increase)/Decrease in inventories	3,648,645	(2,072,951)
(Increase)/ Decrease in loans and advances	560,222	(365,962)
Increase/(Decrease) in current liabilities and provisions	(7,379,740)	4,208,109
	<u>(3,049,791)</u>	<u>(692,312)</u>
Cash generated from operations	(2,213,463)	750,636
Taxes paid	-	-
<b>A. NET CASH FROM OPERATING ACTIVITIES</b>	<u>(2,213,463)</u>	<u>750,636</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to fixed assets (including capital work in progress and advances)	(21,020)	(894,207)
Proceeds from sale of fixed assets	-	-
Interest received	71,008	-
<b>B. NET CASH USED IN INVESTING ACTIVITIES</b>	<u>49,988</u>	<u>(894,207)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share application money received	-	-
Repayment of Borrowings	(213,600)	-
<b>C. CASH FLOW FROM/ (USED) FINANCING ACTIVITIES</b>	<u>(213,600)</u>	<u>-</u>
<b>NET CASH FLOWS DURING THE YEAR (A+B+C)</b>	<u>(2,377,075)</u>	<u>(143,571)</u>
Cash and cash equivalents (opening balance)	2,471,869	2,615,441
Cash and cash equivalents (closing balance)	94,794	2,471,870

Per our report attached to the Balance Sheet

For **R.SUBRAMANIAN AND COMPANY**

Chartered Accountants

**N.KRISHNAMURTHY**  
Partner

**ROBERT P.ROMANO**  
Director

**JOHN D.ROLLO**  
Chairman

For and on behalf of the Board

**MICHEL VANDERVELPEN**  
Director

**P.RAMESH**  
Managing Director

Membership No.19339  
Firm Regn.No. 004137S

Place : Chennai  
Date : 24th June, 2010

Place : USA  
Date : 30th May, 2010



	( in Rupees ) As at 31st March, 2010	( in Rupees ) As at 31st March, 2009
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
50,00,000 Equity Shares of Rs.10 each	<b>50,000,000</b>	50,000,000
100,000 Redeemable Preference Shares of Rs.100 each	<b>10,000,000</b>	10,000,000
	<u><b>60,000,000</b></u>	<u>60,000,000</u>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP :</b>		
2,450,000 equity shares of Rs. 10 each	<b>24,500,000</b>	24,500,000
(Of the above 15,00,000 equity shares are held by Gunther America Inc ,the holding company )		
98,178 Zero Coupon Preference Shares of Rs.100 each, redeemable at par after the expiry of 5 years from the date of allotment	<b>9,817,800</b>	9,817,800
(The whole of the above issued zero coupon preference shares are held by Gunther America Inc, the Holding Company)		
	<u><b>34,317,800</b></u>	<u>34,317,800</u>
<b>SCHEDULE 2</b>		
<b>RESERVES AND SURPLUS:</b>		
Capital reserve:		
Capital Subsidy received from State Govt.	<b>3,500,000</b>	3,500,000
	<u><b>3,500,000</b></u>	<u>3,500,000</u>

**SCHEDULE 3  
FIXED ASSETS**

( in Rupees )

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Cost as on 01.04.2009	Additions	Deductions	Cost as on 31.03.2010	For the Year	Deductions	As on 31.03.2010	As on 31.03.2009
Factory building	9,556,864	-	-	9,556,864	319,199	-	3,230,703	3,549,903
Plant and machinery	82,650,407	-	-	82,650,407	637,460	-	7,277,114	7,914,574
Electrical installation	3,998,244	2,020	-	4,000,264	185,980	-	779,778	963,738
Office equipment	872,016	-	-	872,016	40,109	-	185,605	225,715
Furniture and fixtures	1,820,053	-	-	1,820,053	94,539	-	233,817	328,356
Vehicles	958,000	-	-	958,000	91,009	-	829,938	920,947
Computer	1,564,370	-	-	1,564,370	179,032	-	-	179,032
Software	60,762	19,000	-	79,762	18,055	-	59,791	58,846
	101,480,716	21,020	-	101,501,736	1,565,383	-	88,904,991	
Previous year	100,586,509	1,718,202	823,995	101,480,716	1,616,952	668,271	12,596,745	14,141,110



	( in Rupees ) As at 31st March, 2010	( in Rupees ) As at 31st March, 2009
<b>SCHEDULE 4</b>		
<b>INVENTORIES</b>		
(Valued at cost and as certified by the Management)		
Raw materials	10,225,619	13,837,227
Stores and spares	958,734	1,140,976
Work in process	7,151,113	6,318,943
Finished goods	1,102,892	1,789,856
	<u>19,438,357</u>	<u>23,087,002</u>
<b>SCHEDULE 5</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured and considered good)		
Debts outstanding for more than Six months	219,476	384,095
Others	3,203,113	3,159,576
	<u>3,422,589</u>	<u>3,543,671</u>
<b>SCHEDULE 6</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on hand	16,440	23,270
Balances with scheduled banks :		
On current accounts	78,354	2,448,599
	<u>94,794</u>	<u>2,471,869</u>
<b>SCHEDULE 7</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured and considered good )		
Advances recoverable in cash or in kind or for value to be received	2,187,980	2,748,202
Taxation (net of provision)	-	-
	<u>2,187,980</u>	<u>2,748,202</u>

	( in Rupees ) As at 31st March, 2010	( in Rupees ) As at 31st March, 2009
<b>SCHEDULE 8</b>		
<b>CURRENT LIABILITIES</b>		
Sundry creditors		
- Dues payable to small scale industrial undertakings	<b>462,210</b>	632,574
- Others Trade Creditors	<b>9,165,734</b>	16,578,720
- Advance from customers	<b>2,898,726</b>	2,898,726
	<b>12,526,671</b>	20,110,021
<b>PROVISIONS</b>		
Provision for Bonus/Ex-Gratia	<b>513,952</b>	455,013
Provision for Leave encashment	<b>958,000</b>	967,983
Provision for Gratuity	<b>11,519,000</b>	11,504,591
Provision for Income tax / Lwf	<b>6,051</b>	193,848
	<b>12,997,002</b>	13,121,434
	<b>25,523,673</b>	33,231,455
<b>SCHEDULE 9</b>		
<b>OTHER INCOME</b>		
Liability no longer required written back	-	1,964,132
Sundry credit balance written back	-	2,314,155
Scrap sales	<b>131,740</b>	186,797
Misc. Income	<b>77,013</b>	-
Interest Income	<b>71,008</b>	71,593
Exchange Fluctuation Gain	<b>328,042</b>	-
	<b>607,803</b>	4,536,677



<b>SCHEDULE 10</b>	<b>(in Rupees)</b>	<b>(in Rupees)</b>
	<b>Year Ended</b>	<b>Year Ended</b>
<b>MANUFACTURING AND OTHER EXPENSES</b>	<b>31st March, 2010</b>	<b>31st March, 2009</b>
Raw materials and components consumed		
Opening Stock	13,837,227	16,220,945
Add : Purchases during the year	<u>25,404,908</u>	<u>59,342,374</u>
	39,242,135	75,563,319
Less : Closing Stock	<u>10,225,619</u>	<u>13,837,227</u>
	29,016,516	61,726,092
Stores and spare parts consumed		
Opening Stock	1,140,976	1,043,604
Add : Purchases during the year	<u>744,431</u>	<u>2,412,958</u>
	1,885,407	3,456,562
Less : Closing Stock	<u>958,734</u>	<u>1,140,976</u>
	926,673	2,315,586
(Increase) / Decrease in work in progress and finished goods		
Opening stock		
- Work in process	6,318,943	7,547,027
- Finished goods	<u>1,789,856</u>	<u>348,377</u>
	8,108,799	7,895,404
Closing stock		
- Work in process	7,151,113	6,318,943
- Finished goods	<u>1,102,892</u>	<u>1,789,856</u>
	8,254,004	8,108,799
	(145,205)	(213,395)
Power and fuel	3,350,809	5,296,739
Payments to and provisions for employees :		
- Salaries, allowances and bonus	19,728,399	20,537,788
- Gratuity	826,629	1,990,092
- Leave Encashment	512,889	660,686
- Contributions to PF and ESI	2,352,026	2,750,909
- Staff welfare expenses	<u>2,822,529</u>	<u>2,101,409</u>
	26,242,472	28,040,884
Repairs and maintenance :		
- Plant and machinery	158,398	530,950
- Buildings	14,650	210,868
- Others	<u>79,886</u>	<u>277,516</u>
	252,934	1,019,334
Rent	672,844	991,443
Insurance	125,946	74,050
Rates and taxes	310,012	203,311
Travelling and conveyance	113,657	251,530
Postage and telephones	250,643	292,224
Printing and stationery	139,614	294,068
Bank charges	28,331	67,880
Directors sitting fees	-	-
Exchange fluctuation loss ( net )	-	129,029
Freight charges	1,533,426	2,790,771
Loss on assets sold / scrapped	-	45,724
Miscellaneous expenses	1,907,514	2,360,251
Mobilisation Charges	-	75,000
Registration Fees	-	85,840
<b>TOTAL</b>	<u><u>64,726,185</u></u>	<u><u>105,846,362</u></u>



## SCHEDULE 11

### ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

#### 1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention and materially comply with the mandatory accounting standards. The significant accounting policies followed by the company are as stated below:

##### i. Fixed Assets and Depreciation

Fixed assets are capitalized at acquisition cost including any directly attributable cost of bringing the assets to their working condition for the intended use.

Depreciation on fixed assets is provided on straight line method in accordance with Schedule XIV to the Companies Act, 1956. Where the carrying value of an asset has undergone subsequent changes on account of exchange fluctuation, the depreciation on the revised unamortised depreciable amount is provided prospectively over the residual useful life of the asset.

##### ii. Impairment of Fixed Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing the value based in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

##### iii. Foreign Exchange Transactions

Foreign exchange transactions are recorded in the books by applying the exchange rate as on the date of the transaction. Foreign currency liabilities (other than for acquisition of fixed assets from outside India) are converted at exchange rates prevailing on the last working day of the accounting year or settlement date as applicable and for fixed assets acquired from outside India the exchange difference is adjusted to the cost of the assets. Other foreign currency assets and liabilities are converted at the exchange rate prevailing on the last working day of the accounting year or settlement date, as applicable and the exchange difference is adjusted to the profit and loss account.

##### iv. Inventories

Inventories are valued at lower of cost and net realisable value except stores and spares, which are valued at cost. The determination of cost of various categories of inventories is as follows:

- a. Stores and spares and raw materials are valued at rates determined on "first in - first out" method.
- b. Work-in-process and finished goods are valued on full absorption costing method based on annual average cost of production.

##### v. Revenue Recognition

Revenue is recognized at the point of dispatch of finished goods to customers from plant.

**vi. Retirement Benefits**

Contributions to provident fund are made monthly, at predetermined rates, and debited to the profit and loss account on an accrual basis. Provision for gratuity and Leave encashment has been made on the basis of Actuarial Valuation as per Accounting Standard AS-15. The company is unable to fund the liability provided due to cash flow problems.

**vii. Contingent Liabilities**

All liabilities have been provided for in the accounts except liabilities of a contingent nature, which have been disclosed at their estimated value in the notes to the accounts.

**viii. Taxes on Income**

Income taxes are accounted for in accordance with Accounting Standard 22 - Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India. Deferred tax is accounted under the liability method, subject to consideration of prudence for deferred tax assets, at the current rate of tax, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the Balance Sheet date. The carrying amount of Deferred Tax Assets and Liabilities are reviewed at each Balance Sheet date.

**2. NOTES TO THE ACCOUNTS****i. Deferred Tax**

On principles of prudence no deferred tax asset has been recognized in the accounts as the company has substantial carry forward losses.

- ii. Consequent to total erosion of the company's net worth, as on 30.06.2005, the report as required under section 23 of the Sick Industrial companies (Special Provision) Act 1985 was submitted to the Board for Industrial and Financial Reconstruction (BIFR) on 06.02.2006. The said reference was not registered by BIFR for want of rectification of certain objection vide BIFR's order No. F.3(S-4)/BC/2006 dated 24-03-2006. The management of your company was confident of changing the fortunes of company without getting attracted to the provisions of BIFR. Hence, your company had requested and obtained debt waiver from its parent companies and accordingly prepared the accounts on Going Concern.

The management had taken constructive steps to improve the profitability of the Company by increasing the production of switches with higher margins and introduction of additional product lines such as proximity switches, high vacuum switches, ball switches, etc which will give a higher contribution. For the successive financial years 2005-06, 2006-07, 2007-08, 2008-09, the Company had again prepared the accounts on a Going Concern basis by obtaining debt waiver(s) successively from its parent companies. For the financial year 2009-10, the company posted operational profits due to its various initiatives including adopting cost cutting measures. Hence, the company did not take any debt waiver for the financial year 2009-10 from its parent companies. The management is confident that the operations of the company are expected to register more marked improvements in the near future and accordingly the accounts have been prepared on a "Going Concern" basis.



	(in Rupees) As at 31st March, 2010	(In Rupees) As at 31st March, 2009
<b>iii. Estimated value of contracts remaining</b>		
be executed on capital account and not provided for (net of advances)	47,553,103	47,553,103
Being value of imported machineries taken on lease, free of rent, from the holding company (at original cost of the machineries)		
<b>iv. Managerial Remuneration (paid to Managing Director)</b>		
Salary and allowance	329,352	Nil
Contribution to Provident and other funds	30,276	Nil
Perquisites	87,000	Nil
<b>v. Auditor's Remuneration</b>		
Audit fee	125,000	250,000
Other Services	-	130,000
<b>vi. CIF Value of Imports</b>		
Raw materials and components	20,670,427	51,464,151
Capital Goods	Nil	Nil
Spares	Nil	67,045
<b>vii. Earnings in Foreign Exchange</b>		
Export of goods on FOB basis	60,961,742	97,871,032
Others	3,833,483	749,593

**viii. Capacity and Production**

Class of goods	Unit of Measurement	Licensed Capacity (annualised)		# Installed capacity (annualised) (on double shift basis)		Actual Production	
		year ended 31-03-10	year ended 31-03-09			year ended 31-03-10	year ended 31-03-09
Miniature Reed switches	Nos.	1,60,30,000	1,60,30,000	1,79,80,000	1,79,80,000	43,43,966	70,61,977
Tilt Switches	Nos.	19,50,000	19,50,000	NIL	NIL	NIL	NIL
Relays	Nos.	5,00,000	5,00,000	5,00,000	5,00,000	NIL	NIL

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

**ix. (a) Raw materials and components, stores and spares consumed :**

Particulars	Unit of Measurement	Year ended March 31, 2010		Year ended March 31, 2009	
		Qty	Value (Rs.)	Qty	Value(Rs.)
Glass tubes	Nos	4,467,480	7,609,492	7,818,140	14,329,514
Nickel iron wire	Kgs	2,094	3,701,967	3,207	6,024,430
Plating Metals and Chemicals (Including Rhodium & Gold)	Gms / kl	10,295	9,265,004	25,059	28,954,855
Others		--	10,783,010	--	14,732,880
<b>Total</b>			<b>31,359,473</b>		<b>64,041,679</b>

**(b) Consumption of imported and indigenous raw materials, stores and spare parts and percentage of each to total consumption.**

(i) Raw materials and components, stores and spares consumed:

Particulars	Year ended March 31, 2010		Year ended March 31, 2009	
	Value (Rs.)	% of total consumption	Value (Rs.)	% of total consumption
Imported	25,102,476	80.05	61,726,093	96.38
Indigenous	6,256,997	19.95	2,315,586	3.62
<b>Total</b>	<b>31,359,473</b>	<b>-</b>	<b>64,041,679</b>	<b>-</b>

**x. Sales**

Particulars	Year ended March 31, 2010		Year ended March 31, 2009	
	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)
Miniature Reed switches	3,500,295	49,813,701	5,278,937	86,668,528

**xi. Stock Particulars of Finished Goods**

Particulars	As at 31st March 2010				As at 31st March 2009			
	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Qty (Nos.)	Value (Rs.)	Qty (Nos.)	Value (Rs.)	Qty (Nos.)	Value (Rs.)	Qty (Nos.)	Value (Rs.)
Reed switches	309,283	1,742,151	198,697	1,083,715	53,172	348,377	309,283	1,742,151

**xii.** The names of small scale Industrial undertakings to which the Company owes any sum including interest which is outstanding for more than 30 days at the Balance sheet date, are as given below. This information and that given in schedule 8 - “Current Liabilities” regarding small scale industrial undertakings has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

- Nikkam Agency
- Sri Venkateswara Plastic Industries
- Paramount Chemicals
- Bubble Package

**xiii.** The Company is in the process of identifying suppliers who have registered under, “The Micro Small and Medium Enterprises Development Act 2006”. As of date, the company has not received confirmations from any registered suppliers and hence no disclosures have taken made under the said Act.

**xiv. Earnings per Share**

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Net Profit / Loss after taxation and exceptional item	Rs. (330,005)	Rs. (194,420)
Weighted number of equity shares outstanding	2,450,000	2,450,000
Basic and Diluted earning per share (Face value of Rs.10 per Share)	Rs. (0.13)	Rs. (0.08)

**xv. The list of related parties as identified by the management is as under**

- |  |   |
|--|---|
| A) Holding Company   | Gunther America Inc.  |
| B) Key Management Personnel [KMP]  | Mr. Robert P. Romano<br>Mr. John David Rollo<br>Mr. Michel Vandervelpen<br>Mr. P.Ramesh |
| C) Enterprise over which any person described in (B) is able to exercise significant influence.<br>This includes enterprises owned by<br>Directors or major share holders of the reporting<br>Management personnel in common with the<br>reporting enterprises | Comus International Inc.<br>Comus International Bvba<br>Assemtech Europe Ltd.           |

The following transactions were carried out with the Related Parties (in Rupees)

Sl. No.	Particulars	Holding Company	Comus Intl Inc.	Comus Intl Bvba	Assemtech Europe Ltd	Others
1	Sale of goods	Nil (Nil)	12,496,916 (11,930,521)	42,905,618 (78,671,794)	5,484,113 (7,268,717)	Nil (Nil)
2	Other Income	Nil (Nil)	875,767 (554,297)	2,539,690 (3,741,179)	418,026 (420,312)	Nil (Nil)
3	Purchase of raw materials	Nil (Nil)	2,518,876 (2,462,115)	17,764,393 (48,553,065)	73,203 (9,715)	Nil (Nil)
4	Purchase of fixed assets	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
5	Managerial remuneration	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	4,46,628 (Nil)
6	Liability written back	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
7	Balance outstanding as at balance sheet date (Net Dr.) (-Net Cr.)		1,705,705 Dr. (1,489,114) Dr.	4,246,438 Cr. (10,834,336) Cr.	1,165,014 Dr. (20,14,332) Dr.	

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

#### xvi. Segment Reporting

(a) The company operates in only one segment – Reed Switches.

(b) Information about secondary segment (Geographical segment) (in Rupees)

Sl. No.	Particulars	Domestic		Overseas	
		This Year	Previous year	This Year	Previous year
1	Segment Revenue	790,883	505,390	60,886,647	78,985,411
2	Carrying amount of segment assets	42,256,538	45,134,855	-	42,256,538
3	Capital Expenditure	-	1,188,293	-	-

Segment assets include fixed assets and current assets. Sundry debtors being export receivables are shown in overseas segment. All Fixed assets are situated in India. Inventory includes various categories of items situated in India.

xvii. The year end foreign currency exposures that have not been hedged are given below.

Amount payable in foreign currency on account of the following:

Import of raw materials and components	Rs. 4,246,438/-	Euro. 70,120
	(Rs. 51,760,710/-)	(Euro .767,508)

Amount receivable in foreign currency on account of the following:

Export goods	Rs. 2,870,719/-	GBP 17,125
		and USD 37,787
	(Rs. 10,189,213/-)	(GBP 113,336
		and USD 287,596)

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


**xviii. Balance Sheet Abstract and Company's General Business Profile**
**1. Registration Details**

Registration	18-15647	State Code	18
Balance Sheet Date	31 03 2010		
	Date	Month	Year

**2. Capital raised during the year (Amount in Rs.Thousands)**

Public Issue	--	Right Issue	--
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**3. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)**

Total Liabilities	64107	Total Assets	64107
Sources of Funds			
Paid-up capital	24500	Reserves & Surplus	3500
Preference Share capital	9818		
Application of Funds			
Net Fixed Assets	12597	Investments	--
Net Current Assets	- 380	Debit Balance in Profit & Loss Account	26366

**4. Performance of Company (Amount in Rs.Thousands)**

Turnover	65952	Total Expenditure	66292
		Exceptional item	--
Profit/Loss before tax	- 340	Profit/Loss after tax	- 330
Earning per share in Rs.	- 0.13	Dividend Rate %	--

(PLEASE TICK APPROPRIATE BOX +FOR PROFIT, -FOR LOSS)

5. Item Code No. (ITC Code No)	85.36	Product Description	REED SWITCHES
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Generic Names of Three Principal Products/Services of Company (as per Monetary Terms)

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

Signature to Schedules 1 to 11

Place: New Jersey, USA

Date: 30th May, 2010.

For and on behalf of the Board

**ROBERT P. ROMANO**, Director

**JOHN D. ROLLO**, Chairman

**MICHEL VANDERVELPEN**, Director



**SWITCHING TECHNOLOGIES GÜNTHER LIMITED**

*Registered Office:*

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

**ATTENDANCE SLIP**

Regd. Folio No. \_\_\_\_\_ No. of Shares \_\_\_\_\_ I certify that I am the shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the TWENTY SECOND ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 23rd September, 2010 at Hotel Grand Palace, 257, G.S.T. Road, Chrompet, Near MIT Gate, Chennai 600 044 at 2.30 p.m.

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

Address:

Member's / Proxy's signature

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

-----  
**NO GIFTS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING**  
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**SWITCHING TECHNOLOGIES GÜNTHER LIMITED**

*Registered Office:*

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

**PROXY FORM**

Regd. Folio No. \_\_\_\_\_ No. of shares \_\_\_\_\_

I/We \_\_\_\_\_ of

\_\_\_\_\_ in the district of \_\_\_\_\_

being a member / members of the above named Company hereby appoints \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing

him \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_

\_\_\_\_\_ as my / our proxy to vote for me/us on my/our behalf at the TWENTY SECOND ANNUAL GENERAL MEETING of the Company to be held on Thursday the 23rd September, 2010 at Hotel Grand Palace, 257, G.S.T. Road, Chrompet, Near MIT Gate, Chennai 600 044, at 2.30 p.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

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



Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.







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Plots B9, B10 & C1, Special Economic Zone (MEPZ)

Kadapperi, Tambaram, Chennai - 600 045.

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**SWITCHING TECHNOLOGIES GÜNTHER LIMITED**

**22nd Annual Report and Accounts 2010**

