

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
e-mail : 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
Phone : 91-44-28460390 (5 Lines)
Fax : 91-44-28460129
e-mail : cameosys@cameoindia.com



NOTICE TO THE MEMBERS

NOTICE is hereby given that the 24th Annual General Meeting of the members of Switching Technologies Gunther Ltd. will be held on Thursday, the 27th September, 2012 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 2012 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. Robert P. Romano, who retires by rotation and is eligible for reappointment.
3. To appoint Auditors and to fix their remuneration.

M/s M.L.Srinivasan & Associates, 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

JOHN D.ROLLO

Date : 30th May 2012

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 25th September, 2012 to Thursday, 27th September, 2012 (both days inclusive)



DIRECTORS' REPORT

The Board of Directors of your company presents their 24th Annual Report together with the audited accounts for the financial year ended 31st March 2012.

FINANCIAL RESULTS	Year ended 31.03.2012 (₹)	Year ended 31.03.2011 (₹)
Sales and other Income	126,813,072	99,602,571
Profit before interest and Depreciation	4,408,916	1,184,638
Interest	--	--
Profit before depreciation	4,408,916	1,184,638
Depreciation	1,309,413	1,248,653
Profit before taxation and exceptional item	3,099,502	(64,015)
Exceptional item	--	--
Profit before taxation after exceptional item	3,099,502	(64,015)
Provision for taxation		
- Current	--	--
- Fringe benefit tax	--	--
Profit / (Loss) after taxation and exceptional item	3,099,502	(64,015)

PERFORMANCE OF THE COMPANY

The Sales and other income during the year had considerably increased to ₹126.81 million compared to ₹99.60 million during the year ended 2011. Your company is proud to present much better result due to introduction of various cost cutting measures, productivity enhancement measures and scrap generation control measures.

Your company is also proud to present the financial figures without obtaining any debt waivers or otherwise, from its parent group to prepare the accounts on Going Concern basis, which was otherwise, a 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 in near future.



AUDITOR'S QUALIFICATION

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

FUTURE PROSPECTS

Your company has drawn out a strategic plan to increase the production of its products. Your company is also striving hard to increase its presence in the Reed Switches based sensor products in the global market.

However, these strategic plans gets hit due to extraneous factors which are beyond the control of your company i.e. severe recession in the European market on one hand which results in near negligible order position, wherein your company's products are marketed and severe shortage of electricity inside the MEPZ wherein your company is located. This apart, the volatile upward increase in the cost of raw materials which mainly consists of Gold and Rhodium is leaving a huge adverse impact.

Despite the above obstacles, your company is committed to increase its production and presence in the global market in the near future.

SHARE REDUCTION

Your company had initiated the process of proportionate reduction of equity and zero coupon preferential shares in the year 2011, to get rid of the chronic carried forward losses, so that your company could secure / mobilize the funds from the market.

However, your company was given the legal & financial advise to stop the process in view of highly volatile exchange fluctuation and volatile economic scenario. Accordingly, your company had stopped and withdrawn the process of getting approval of statutory and judicial authorities.

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. Robert P. Romano 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

Auditors of the Company, M/s. M.L.Srinivasan & Associates, Chartered Accountants, Chennai retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

PERSONNEL

The industrial relations continued to remain cordial throughout the period.

DEMATERIALISATION OF SHARES

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

LISTING WITH STOCK EXCHANGES

Your company's shares are listed in 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 Profit of the Company for the year.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a 'Going Concern' basis.



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 Notes, 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

JOHN D.ROLLO

Date : 30th May 2012

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 ₹1233.10 lacs. Foreign exchange outgo on account of Imported Raw Materials, Stores and Capital Goods was ₹693.43 lacs whereas expenditure in foreign currency on account of Interest was ₹ Nil.

For and on behalf of the Board

Place : New Jersey, USA

JOHN D.ROLLO

Date : 30th May 2012

CHAIRMAN



COMPLIANCE CERTIFICATE

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

To

The Members

MESSRS. SWITCHING TECHNOLOGIES GÜNTHER LIMITED

Plot B9,B10 & C1 Madras Export Processing Zone,

Kadapperi, Tambaram, Chennai - 600045

I have examined the registers, records, books and papers of SWITCHING TECHNOLOGIES GUNTHAR 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 2012. 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 Six (6) times on 28th May 2011, 29th July 2011, 25th August 2011, 19th September 2011, 28th October 2011 and 27th January 2012 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 20.09.11 to 22.09.11 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2011 was held on 22nd September 2011 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. As per the information provided, the Company has not issued any duplicate share certificates during the financial year ended 31st March, 2012.
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, 2012.
 - (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, 2012.
16. The Company has not appointed any sole selling agents during the financial year ended 31st March, 2012.
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, 2012.
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, 2012.
20. The Company has not bought back any shares during the financial year ended 31st March, 2012 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, 2012.
24. As per the information provided and as per the Auditor's report, the amount borrowed from directors, members, public, financial institutions, banks and others during the financial year ending 31st March 2012, 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, 2012.
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, 2012.
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.

K.J.Lakshmi

Place : Chennai
Date : 03-06-2012

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

**'Annexure A'**

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

Registers as maintained by the Company

Sl.No.	Section Number	Name of the Register
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

K.J.Lakshmi

Place : Chennai
Date : 03-06-2012

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



‘Annexure B’

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

Returns/ Documents/ Forms filed with the Registrar of Companies

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2012 [01.04.2011 TO 31.03.2012]

Sl. No	Form No.	Relevant Section	Description	Service Request No. and date of filing	Whether filed within the prescribed time Yes/ No	If delay in filing whether requisite additional fee paid Yes/No	Amount Paid in (₹)
1	23AC & ACA	220	Balance sheet as on 31st March 2011 and profit and loss account for the year ended 31st March 2011 along with Notice and Directors report thereon.	P83683185 27/12/2011	Yes	No	500/-
2	66	383A	Compliance Certificate pursuant to section 383A of the Companies Act, 1956, and rule 3(2) of the Companies (Compliance Certificate) Rules, 2001	P72178577 11/10/2011	Yes	No	500/-
3	20B	159	Annual return for the financial year ending on 31st March 2011	P72188865 11/10/2011	Yes	No	500/-
4	23	192	Registration of resolution(s) to reduce the share capital	B24354474 08/11/2011	No	Yes	1500/-

REGIONAL DIRECTOR, CENTRAL GOVERNMENT & OTHER AUTHORITIES - NIL

K.J.Lakshmi

Place : Chennai
 Date : 03-06-2012

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



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

We have audited the attached Balance Sheet of Switching Technologies Gunther Limited as at March 31, 2012 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 2012 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, 2012;
 - 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
Firm Registration No.006505S

M.L.SRINIVASAN
Partner
Membership No. 203154

Place : Chennai
Date : 03-06-2012



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 2012

- 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.
- 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 31st March 2012 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 2011-12, without default. No loans have been availed from financial institution during the financial year 2011-12.
- xii. The Company has not granted any loans or advances on the basis of security by way of 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.



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- 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 **M.L.Srinivasan & Associates**
Chartered Accountants
Firm Registration No.006505S

M.L.SRINIVASAN
Partner
Membership No. 203154

Place : Chennai
Date : 03-06-2012



BALANCE SHEET AS AT 31st MARCH, 2012

	Note	(Amount in ₹)	
		As at 31st March 2012	As at 31st March 2011
EQUITIES AND LIABILITIES			
Shareholders' Fund			
Share Capital	1	34,317,800	34,317,800
Reserves and Surplus	2	<u>(19,830,921)</u>	<u>14,486,879</u>
Share Application Money Pending Allotment			<u>(22,930,423)</u>
			11,387,377
Non-Current Liabilities			
Long Term Borrowings	3	338,200	551,800
Deferred Tax Liability (Net)		<u>338,200</u>	<u>551,800</u>
Current Liabilities			
Short Term Borrowings			
Trade Payables	4	28,470,757	23,973,978
Other Current Liabilities	5	17,513,641	15,037,000
Short Term Provisions	6	<u>991,979</u>	<u>706,463</u>
		<u>46,976,377</u>	<u>39,717,441</u>
TOTAL		<u>61,801,456</u>	<u>51,656,618</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	7	10,562,571	11,726,601
Intangible Assets	7	464,908	44,641
Capital Work-in-Progress		-	-
Intangible Assets under Development		-	-
Non-Current Investments			
Long Term Loans and Advances		<u>-</u>	<u>11,027,479</u>
			11,771,242
Current Assets			
Current Investments			
Inventories	8	42,468,529	30,300,741
Trade Receivables	9	2,058,228	4,091,615
Cash and Bank Balances	10	3,595,740	3,016,789
Short Term Loans and Advances	11	2,651,480	2,476,231
Other Current Assets		<u>-</u>	<u>50,773,977</u>
			39,885,375
TOTAL		<u>61,801,456</u>	<u>51,656,618</u>

Significant Accounting Policies

Notes on Financial Statements 1 to 25

As per our Report of even date

For M.L.SRINIVASAN & ASSOCIATES

Chartered Accountants

Firm Reg No. 006505S

For and on behalf of the Board

M.L.SRINIVASAN

Partner

Membership No. 203154

Date : 03-06-2012

Place : Chennai

ROBERT P. ROMANO

Director

JOHN D. ROLLO

Chairman

MICHEL VANDERVELPEN

Director

P. RAMESH

Managing Director

Date : 30-05-2012

Place : USA



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

	Note	As at 31st March 2012	As at 31st March 2011
INCOME			
Revenue from Operations	12	124,998,141	98,637,259
Other Income	13	1,814,931	965,312
Total Revenue		126,813,072	99,602,571
EXPENDITURE			
Cost of Materials Consumed	14	74,586,717	54,845,765
Changes in Inventories of Finished Goods and Stock-in-Process	15	(3,582,427)	(548,128)
Power and Fuel	16	5,475,091	4,349,359
Employee Benefit Expenses	17	36,817,146	32,706,820
Depreciation	18	1,309,413	1,248,653
Other Expenses	19	9,107,629	7,064,115
Total Expenses		123,713,569	99,666,586
Profit Before Tax		3,099,502	(64,015)
Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
Profit for the Year		3,099,502	(64,015)
Earnings per equity share of face value of ₹10 each			
Basic and Diluted		1.26	(0.03)

Significant Accounting Policies

Notes on Financial Statements 1 to 25

As per our Report of even date

For M.L.SRINIVASAN & ASSOCIATES

Chartered Accountants

Firm Reg No. 006505S

For and on behalf of the Board

M.L.SRINIVASAN

Partner

Membership No. 203154

Date : 03-06-2012

Place : Chennai

ROBERT P. ROMANO

Director

JOHN D. ROLLO

Chairman

MICHEL VANDERVELPEN

Director

P. RAMESH

Managing Director

Date : 30-05-2012

Place : USA



CASH FLOW STATEMENT AS AT 31st MARCH 2012
(Amount in ₹)

CASH FLOW FROM OPERATING ACTIVITIES	April 1, 2011 to March 31, 2012	April 1, 2010 to March 31, 2011
Profit before taxation and exceptional item	3,099,502	(64,015)
Adjustments for:		
Depreciation	1,309,413	1,248,653
Unrealised Exchange Fluctuation (net)	-	-
Interest expenses	-	-
Loss on assets sold/scrapped	-	-
Interest income	(77,778)	(58,556)
	<u>1,231,635</u>	<u>1,190,097</u>
Operating profit before working capital changes	4,331,138	1,126,082
Adjustments for:		
(Increase)/Decrease in sundry debtors	2,033,387	(669,026)
(Increase)/Decrease in inventories	(12,167,788)	(10,862,384)
(Increase)/ Decrease in loans and advances	(175,250)	(288,251)
Increase/(Decrease) in current liabilities and provisions	7,258,935	14,193,766
	<u>(3,050,715)</u>	<u>2,374,105</u>
Cash generated from operations	1,280,422	3,500,187
Taxes paid	-	-
A. NET CASH FROM OPERATING ACTIVITIES	1,280,422	3,500,187
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets (including capital work in progress and advances)	(565,650)	(423,150)
Proceeds from sale of fixed assets	-	-
Interest received	77,778	58,556
B. NET CASH USED IN INVESTING ACTIVITIES	(487,872)	(364,594)
CASH FLOW FROM FINANCING ACTIVITIES		
Share application money received	-	-
Repayment of Borrowings	(213,600)	(213,600)
C. CASH FLOW FROM/ (USED) FINANCING ACTIVITIES	(213,600)	(213,600)
NET CASH FLOWS DURING THE YEAR (A+B+C)	578,950	2,921,995
Cash and cash equivalents (opening balance)	3,016,789	94,794
Cash and cash equivalents (closing balance)	3,595,739	3,016,789

As per our Report attached to the Balance Sheet
For **M.L.SRINIVASAN & ASSOCIATES**
Chartered Accountants
Firm Reg No. 006505S

For and on behalf of the Board

M.L.SRINIVASAN Partner
Membership No. 203154
Date : 03-06-2012
Place : Chennai

ROBERT P. ROMANO Director

JOHN D. ROLLO Chairman

MICHEL VANDERVELPEN Director

P. RAMESH Managing Director

Date : 30-05-2012
Place : USA



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.

(Amount in ₹)

	As at 31st March 2012	As at 31st March 2011
1. SHARE CAPITAL		
Authorised Share Capital :		
50,00,000 Equity Shares of ₹10 each	50,000,000	50,000,000
100,000 Redeemable Preference Shares of ₹100 each	10,000,000	10,000,000
TOTAL	<u>60,000,000</u>	<u>60,000,000</u>
Issued, Subscribed and Paid up :		
2,450,000 equity shares of ₹10 each	24,500,000	24,500,000
98,178 Zero Coupon Preference Shares of ₹100 each, redeemable at par after the expiry of 5 years from the date of allotment	9,817,800	9,817,800
TOTAL	<u>34,317,800</u>	<u>34,317,800</u>

1.1 Break up of Shares issued in the last five years.

The Company has issued 98,178 Zero Coupon Redeemable Preference Shares of ₹100/- each totaling to ₹98,17,800/- on 14-02-2009 redeemable at par after the expiry of 5 years from the date of allotment.

1.2 The details of Shareholders holding more than 5% shares

Name of the Shareholder	Type of Share	As at 31st March 2012		As at 31st March 2011	
		Number of Shares	% of Holding	Number of Shares	% of Holding
Gunther America Inc.	Equity	1,500,000	61%	1,500,000	61%
Günter America Inc.	Preference	98,178	100%	98,178	100%

1.3 The reconciliation of the number of shares outstanding is setout below :

Particulars	As at 31st March 2012	As at 31st March 2011
Equity Shares		
Equity Shares at the Beginning of the year	24,500,000	24,500,000
Add : Shares Issued during the year	-	-
Less: Shares Cancelled during the year	-	-
Equity Shares at the end of the year	<u>24,500,000</u>	<u>24,500,000</u>
Preference Shares		
Preference Shares at the Beginning of the year	9,817,800	9,817,800
Add : Shares Issued during the year	-	-
Less: Shares Cancelled during the year	-	-
Preference Shares at the end of the year	<u>9,817,800</u>	<u>9,817,800</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

	As at 31st March 2012	As at 31st March 2011
2. RESERVES AND SURPLUS		
Capital Reserve:		
Capital Subsidy received from State Govt.		
As per last Balance sheet	3,500,000	3,500,000
Profit and Loss Account :		
As per last Balance sheet	(26,430,423)	(26,366,408)
Add : Profit / (Loss) for the year	<u>3,099,502</u>	<u>(64,015)</u>
TOTAL	<u>(19,830,921)</u>	<u>(22,930,423)</u>
3. LONG TERM BORROWINGS		
Secured :		
Hire purchase Loan from HDFC Bank (Secured by hypothecation of Vehicle)	338,200	551,800
Un Secured :	-	-
TOTAL	<u>338,200</u>	<u>551,800</u>
4. TRADE PAYABLES		
Micro, Small & Medium Enterprises	445,161	368,102
Others	<u>28,025,596</u>	<u>23,605,876</u>
TOTAL	<u>28,470,757</u>	<u>23,973,978</u>
5. OTHER CURRENT LIABILITIES		
Provision for Leave encashment	1,210,414	1,065,000
Provision for Gratuity	<u>16,303,227</u>	<u>13,972,000</u>
TOTAL	<u>17,513,641</u>	<u>15,037,000</u>
6. SHORT TERM PROVISIONS		
Provision for Bonus & Ex-Gratia	991,979	701,283
Provision for Income Tax	-	5,180
TOTAL	<u>991,979</u>	<u>706,463</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

7. FIXED ASSETS

(Amount in ₹)

Description	Gross Block				Depreciation				Net Block	
	As at 01-04-2011	Additions	Deletions	As at 31-03-2012	As at 01-04-2011	For the Year	Deletions	Up to 31-03-2012	As at 31-03-2012	As at 31-03-2011
TANGIBLE ASSETS :										
Factory building	9,556,864	-	-	9,556,864	6,645,261	319,099	-	6,964,361	2,592,503	2,911,603
Plant and machinery	83,038,817	18,000	-	83,056,817	75,849,969	483,703	-	76,333,672	6,723,145	7,188,848
Electrical installation	4,008,105	-	-	4,008,105	3,412,286	184,332	-	3,596,618	411,487	595,818
Office equipment	872,016	-	-	872,016	726,521	40,109	-	766,631	105,385	145,495
Furniture and fixtures	1,840,003	11,300	21,250	1,830,053	1,700,725	97,318	21,250	1,776,793	53,260	139,278
Vehicles	958,000	-	-	958,000	219,171	91,110	-	310,281	647,719	738,829
Computer	1,571,320	23,700	-	1,595,020	1,564,589	1,360	-	1,565,949	29,071	6,731
Total (A)	101,845,125	53,000	21,250	101,876,875	90,118,522	1,217,030	21,250	91,314,304	10,562,571	11,726,601
INTANGIBLE ASSETS :										
Software	79,762	512,650	-	592,412	35,123	92,383	-	127,506	464,906	44,639
Total (B)	79,762	512,650	-	592,412	35,123	92,383	-	127,506	464,906	44,639
Total (A + B)	101,924,887	565,650	21,250	102,469,287	90,153,645	1,309,413	21,250	91,441,810	11,027,477	11,771,240
Previous Year	101,501,736	423,150	-	101,924,886	88,904,992	1,248,653	-	90,153,646	11,771,240	12,596,744

Note: Estimated value of contracts remaining to be executed on capital account and not provided ₹47,553,103/-. Being value of Imported machineries taken on lease, free of rent, from the holding company (at original cost of the machineries)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

	As at 31st March 2012	As at 31st March 2011
8. INVENTORIES		
(Valued at cost and as certified by the Management)		
Raw materials	28,741,319	20,565,200
Stores and spares	1,342,651	933,409
Work in process	11,964,097	8,542,685
Finished goods	420,462	259,447
TOTAL	42,468,529	30,300,741
9. TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Over Six months	-	2,503,328
Others	2,058,228	1,588,287
TOTAL	2,058,228	4,091,615
10. CASH AND BANK BALANCES		
Balance with Banks	3,572,189	2,971,221
Cash on Hand	23,551	45,568
TOTAL	3,595,740	3,016,789
11. SHORT TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Advances and Deposits recoverable in cash or in kind or for value to be received	2,651,480	2,476,231
TOTAL	2,651,480	2,476,231



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

12. REVENUE FROM OPERATIONS	As at 31st March 2012	As at 31st March 2011
Sales	124,998,141	98,637,259
TOTAL	124,998,141	98,637,259

12.1 QUANTITATIVE DETAILS OF SALES

Particulars	This Year		Previous Year	
	Quantity (in Nos)	Value (in ₹)	Quantity (in Nos)	Value (in ₹)
Miniature Reed Switches	7,487,665	103,025,073	6,952,985	82,174,825
Others	730,263	21,973,068	502,724	16,462,434
TOTAL	8,217,928	124,998,141	7,455,709	98,637,259

13. OTHER INCOME

Scrap sales	54,283	188,153
Misc. Income	806,130	535,745
Interest Income	77,778	58,556
Exchange Fluctuation Gain	876,740	182,857
TOTAL	1,814,931	965,312

14. COST OF MATERIALS CONSUMED

Raw materials and components	70,638,653	52,908,493
Stores and spare parts	3,948,064	1,937,272
TOTAL	74,586,717	54,845,765

14.1 PARTICULARS OF MATERIALS CONSUMED

Particulars	This Year		Previous Year	
	Value (in ₹)	% of total consumption	Value (in ₹)	% of total consumption
Imported	61,458,132	82.40	44,790,480	81.67
Indigenous	13,128,585	17.60	10,055,285	18.33
TOTAL	74,586,717		54,845,765	



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

14.2 MATERIAL WISE RAW MATERIALS CONSUMPTION

Particulars	Unit of Measurement	Year Ended March 31, 2012		Year Ended March 31, 2011	
		Quantity	Value (₹)	Quantity	Value (₹)
Glass tubes	Nos	12,024,950	18,579,185	9,928,180	14,027,916
Nickel iron wire	Kgs	3,817	10,470,919	3,428	8,043,936
Plating Metals and Chemicals (Including Rhodium & Gold)	Gms / kl	20,515	24,476,765	18,663	19,286,926
Others		--	21,059,848	--	13,486,987
Total			74,586,717		54,845,765

14.3 CAPACITY AND PRODUCTION

Class of goods	Unit of Measurement	Licensed Capacity		# Installed capacity		Actual Production	
		(annualised)		(annualised)		year ended 31-03-12	year ended 31-03-11
		year ended 31-03-12	year ended 31-03-11	(on double shift basis)			
Miniature Reed switches	Nos.	16,030,000	16,030,000	17,980,000	17,980,000	10,079,999	8,784,784
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.

15. CHANGES IN INVENTORIES AND FINISHED GOODS AND STOCK-IN-PROCESS

	As at 31st March 2012		As at 31st March 2011	
	(₹)		(₹)	
Opening Inventories				
Work in process	8,542,685		7,151,113	
Finished goods	259,447	8,802,132	1,102,892	8,254,004
Closing Inventories				
Work in process	11,964,097		8,542,685	
Finished goods	420,462	12,384,559	259,447	8,802,132
TOTAL		(3,582,427)		(548,128)



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

15.1 STOCK PARTICULARS OF FINISHED GOODS REED SWITCHES

Particulars	(Amount in ₹)			
	As at 31st March 2012		As at 31st March 2011	
	Opening Stock Value (₹)	Closing Stock Value (₹)	Opening Stock Value (₹)	Closing Stock Value (₹)
Reed Switches	237,200	397,466	1,083,715	237,200

16. POWER AND FUEL

Electricity and Diesel for Generator	5,475,091	4,349,359
TOTAL	5,475,091	4,349,359

17. EMPLOYEE BENEFIT EXPENSES

Salaries, allowances and bonus	27,496,510	23,368,785
Gratuity	2,426,525	2,621,101
Leave Encashment	715,628	559,950
Contributions to provident fund and ESI	3,980,983	3,522,849
Staff welfare expenses	2,197,500	2,634,135
TOTAL	36,817,146	32,706,820

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 is unable to fund the liability provided due to cash flow problems.

17.1 Movements in Accrued Liability

	Gratuity (Unfunded)	Leave Encashment (Unfunded)
	2011-12	2011-12
Accrued Liability as at beginning of the period	13,972,287	1,065,073
Interest Cost	1,113,960	62,394
Current Service Cost	2,395,012	289,987
Benefits Paid	(95,585)	(570,287)
Actuarial Gain / Loss	(1,082,447)	363,247
Accrued Liability as at the end of the period	16,303,227	1,210,414



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

17.2 Reconciliation	(Amount in ₹)	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)
	2011-12	2011-12
Net Liability as at the beginning of the period	13,972,287	1,065,073
Net Expenses in P&L A/c	2,426,525	715,628
Benefits paid	(95,585)	(570,287)
	<u>16,303,227</u>	<u>1,210,414</u>

17.3 Valuation Basis / Assumptions	Gratuity (Unfunded)	Leave Encashment (Unfunded)
	As per LIC (1994-96) (Ultimate) Mortality Table	
Rate of Mortality	31/03/2012	31/03/2012
Valuation Date	8.00% p.a	8.00% p.a
Rate of Interest	7.50% p.a	7.50% p.a
Rate of Salary Escalation	5.00% p.a	5.00% p.a
Rate of exit due to reasons other than death or retirement	Does not arise	Does not arise
Rate of return on Plan Assets		

17.4 Managerial Remuneration (Paid to Managing Director)	As at 31st March 2012	As at 31st March 2011
	Salaries and allowance	561,648
Contribution to Provident and other funds	39,372	37,791
Perquisites	33,246	107,790

18. DEPRECIATION		
Depreciation (Refer Note No. 7)	1,309,413	1,248,653
TOTAL	<u>1,309,413</u>	<u>1,248,653</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

	(Amount in ₹)	
	As at 31st March 2012	As at 31st March 2011
19. OTHER EXPENSES		
Repairs and Maintenance	644,033	541,627
Water Charges	386,980	294,819
Freight charges	3,065,998	2,422,055
Clearing & Forwarding	685,662	-
Professional Fees	499,891	425,362
Rent	647,734	571,676
Insurance	143,874	139,701
Rates and taxes	918,331	700,861
Travelling and conveyance	167,835	109,756
Postage and telephones	241,726	244,109
Printing and stationery	256,434	204,548
Bank charges	84,544	45,377
Security Charges	394,245	405,343
Fixed Facility Charges	180,000	180,000
Miscellaneous expenses	790,342	778,882
TOTAL	9,107,629	7,064,115
19.1 PAYMENT TO AUDITORS :		
Statutory Audit Fees	75,000	125,000
TOTAL	75,000	125,000
19.2 EXPENDITURE IN FOREIGN CURRENCY :		
Raw Materials & Components	67,582,241	54,495,565
Spares	1,760,379	94,154
TOTAL	69,342,620	54,589,719

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

20. EARNINGS PER SHARE (EPS)	As at 31st March 2012	As at 31st March 2011
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	3,099,502	(64,015)
ii) Number of Equity Shares	2,450,000	2,450,000
iii) Basic and Diluted Earnings Per Share	1.26	(0.03)
iv) Face Value per equity share	10	10
21. EARNINGS IN FOREIGN EXCHANGE		
FOB Value of exports	123,310,061	91,588,810

22. RELATED PARTY DISCLOSURES

In (₹)

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below :

Particulars	Holding Company	Comus Intl Inc.	Comus Intl Bvba	Assemtech Europe Ltd	Others
Sale of Goods	-Nil-	23,706,809	85,384,591	9,235,298	-Nil-
	-Nil-	(16,073,680)	(67,659,693)	(6,415,807)	-Nil-
Other Income	-Nil-	669,229	16,889	118,018	-Nil-
	-Nil-	(1,064,853)	(2,716,222)	(662,694)	-Nil-
Purchase of Raw Materials	-Nil-	4,353,795	61,937,859	355,785	-Nil-
	-Nil-	(3,266,744)	(48,146,244)	(85,962)	-Nil-
Managerial Remuneration	-Nil-	-Nil-	-Nil-	-Nil-	622,266
	-Nil-	-Nil-	-Nil-	-Nil-	(617,148)
Balance outstanding as at Balance Sheet date	-Nil-	204,004 Dr.	15,162,160 Cr.	1,672,154 Dr.	-Nil-
	-Nil-	(2,372,983) Dr.	(13,203,178) Cr.	(1,396,081) Dr.	-Nil-

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



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

22.1 The list of related parties as identified by the management is as under

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

23. SEGMENT REPORTING

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

(b) Information about secondary segment (Geographical segment)

(Amount in ₹)

Particulars	Domestic		Overseas	
	This Year	Previous Year	This Year	Previous Year
Segment Revenue	2,564,820	8,013,761	123,310,061	91,588,810

24. DEFERRED TAX

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

25. CONTINGENT LIABILITIES AND COMMITMENTS

- NIL -



SIGNIFICANT ACCOUNTING POLICIES

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 Note 7 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.

Place : New Jersey, USA

Date : 30th May, 2012

For and on behalf of the Board

ROBERT P. ROMANO, Director

JOHN D. ROLLO, Chairman

MICHEL VANDERVELPEN, Director



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details			
Registration No.	18-15647	State Code	18
Balance Sheet Date	31 03 2012		
	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	61,801	Total Assets	61,801
Sources of Funds			
Paid-up capital	24,500	Reserves & Surplus	3,500
Preference Share capital	9,818		
Application of Funds			
Net Fixed Assets	11,027	Investments	--
Net Current Assets	3,798	Debit Balance in Profit & Loss Account	23,331
4. Performance of Company (Amount in ₹ Thousands)			
Turnover	126,813	Total Expenditure	123,714
		Exceptional item	--
Profit/Loss before tax	3,099	Profit/Loss after tax	3,099
Earning per share in ₹	1.26	Dividend Rate %	--
5. Item Code No. (ITC Code No)	85.36	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

For and on behalf of the Board

ROBERT P. ROMANO, Director

Place : New Jersey, USA

JOHN D. ROLLO, Chairman

Date : 30th May, 2012

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 FOURTH ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 27th September, 2012 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

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 FOURTH ANNUAL GENERAL MEETING of the Company to be held on Thursday

the 27th September, 2012 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 _____ 2012.

Signature : _____

Affix
1 Rupee
Revenue
Stamp

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.

