



**SWITCHING
TECHNOLOGIES
GUNTHER LTD.**

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

520

Ref: STGL/BSE/520/2023

// Through BSE Listing Centre Online//

Date: 02/09/2023

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

BSE CODE: 517201

Dear Sir/Madam,

Sub: Soft Copy of the Annual Report of the Company for the financial year ended 31st March, 2023

Pursuant to the Regulation 34 of the SEBI (LODR) Regulations, 2015, we hereby attach the soft copy of the Annual Report of the Company containing the Notice, Board's Report, Auditor's Report and Financial Statements for the year ended 31st March, 2023 for your records.

The Annual Reports are being despatched today to all the members by the Company's Registrar and Share Transfer Agents (RTA) viz., Cameo Corporate Services Limited for the AGM of the Company to be held on Friday the 29th September, 2023.

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

Thanking You,

Yours faithfully,

For SWITCHING TECHNOLOGIES GUNTHER LIMITED

S.Ramesh

Company Secretary and Compliance Officer



SWITCHING TECHNOLOGIES GÜNTHER LIMITED

35th Annual Report - 2023

SWITCHING TECHNOLOGIES GÜNTHER LIMITED

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

E-mail: stgindia@stg-india.com Website: www.switchingtechnologiesguntherltd.com

CIN No. L29142TN1988PLC015647

BOARD OF DIRECTORS	:	Mr.C.CHANDRACHUDAN - Managing Director Mr.K.MANOHARAN - Executive Director Mr. KANTHIMATHINATHAN CHOCALINGAM - Independent Director Ms.GAYATHRI M N - Independent Woman Director
COMPANY SECRETARY	:	Mr. S.RAMESH
CHIEF FINANCIAL OFFICER	:	Mrs.T.NIRMALA
BANKERS	:	HDFC BANK LTD STATE BANK OF INDIA
REGISTERED OFFICE & WORKS	:	Plots B9 & B10 Special Economic Zone (MEPZ) Kadapperi, Tambaram Chennai - 600 045 Phone : 91-44-22622460 91-44-43219096 e-mail : stgindia@stg-india.com Website : www.switchingtechnologiesguntherltd.com CIN No. : L29142TN1988PLC015647
REGISTRAR FOR ELECTRONIC CONNECTIVITY AND PHYSICAL SHARE TRANSFERS	:	CAMEO CORPORATE SERVICES LTD Subramanian Building No.1, Club House Road Chennai - 600 002 Phone : 91-44-28460390 (5 Lines) Fax : 91-44-28460129 e-mail : cameosys@cameoindia.com
STATUTORY AUDITOR	:	M/s. V.V.KALE & COMPANY Chartered Accountants 16A/20, W.E.A.Main Ajmal Khan Road Karol Bagh, New Delhi 110 005

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 35th Annual General Meeting (AGM) of the Members of Switching Technologies Gunther Ltd. will be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM), on Friday, the 29th September, 2023 at 2.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2023 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr.K.Manoharan, Executive Director, (DIN: 09615102) who retires by rotation and being eligible, offers himself for re-appointment.

RESOLVED THAT Mr.K.Manoharan, Executive Director, (DIN: 09615102) who retires by rotation and being eligible be and is hereby re-appointed as Executive Director of the Company whose office shall be liable to retirement by rotation.

For and on behalf of the Board

Place : Chennai

S. RAMESH

Date : 11th August, 2023

Company Secretary

NOTES:

SHAREHOLDER INSTRUCTIONS FOR E-VOTING

CDSL e-Voting System – For e-voting and Joining Virtual meetings

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted

at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

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

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

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on 26th September, 2023 at 9.00 A.M. and ends on 28th September, 2023 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories

and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> <li data-bbox="409 529 1240 720">1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab. <li data-bbox="409 737 1240 1024">2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. <li data-bbox="409 1041 1240 1137">3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. <li data-bbox="409 1154 1240 1397">4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> <li data-bbox="409 309 1239 737">1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <li data-bbox="409 755 1239 876">2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp <li data-bbox="409 894 1239 1315">3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.



- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of

the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz;stgindia@stg-india.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at stgindia@stg-india.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance ten days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility,

then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

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

Name of the Director	Date of Birth	Nationality	Date of Appointment	Shareholding in the Company	Qualification	Expertise in specific functional area	Directorships held in other companies	Chairmanships/ Memberships of Committees in other companies
Mr.K.Manoharan DIN 09615102	19/2/1967	Indian	25/05/2022	NIL	B.E,	Technical and Production	NIL	NIL

For and on behalf of the Board

Place : Chennai

Date : 11th August, 2023

S. RAMESH

Company Secretary

BOARD'S REPORT

The Board of Directors have pleasure in presenting the 35th Annual Report together with the Audited Financial Statements for the year ended 31st March 2023.

FINANCIAL RESULTS

	Year ended 31.03.2023 (₹)	Year ended 31.03.2022 (₹)
Sales and other Income	115,303,913	110,607,956
Profit before Interest and Depreciation	(101,199,594)	(65,691,623)
Interest	-	-
Profit before depreciation	(101,199,594)	(65,691,623)
Depreciation	643,835	857,701
Profit before taxation and exceptional item	(101,843,429)	(66,549,324)
Exceptional item	(215,205,223)	-
Profit before taxation after exceptional item	113,361,794	(66,549,324)
Provision for taxation		
– Current tax	-	-
– Deferred tax	-	465,474
Profit / (Loss) after taxation and exceptional item	113,361,794	(66,083,850)

PERFORMANCE OF THE COMPANY

The Sales and Other Income during the year had increased to ₹115.304 million in the FY ending 31st March, 2023 compared to ₹110.608 million during the FY ended 31st March, 2022. Your company has earned a profit of ₹113.361/- million for the FY ending 31st March, 2023 mainly because of an exceptional income during Q4 of 2022-23 which represents the write back of credit balances in respect of purchase of raw materials, consumables, etc payable to Group Companies amounting to ₹2,152.05 lakhs. The Company's accumulated losses as at 31st March, 2023 aggregate to ₹478.40 lakhs mainly due to reduction in sales orders throughout the financial year and due to exchange fluctuation loss over which your company's management has no control. Nevertheless, your company is proud to present the results on "Going Concern" basis due to the introduction of various cost cutting measures, productivity enhancement measures and scrap generation control measures. Besides the Company on a trial basis is trying to use a substitute cheaper raw material

Ruthinium in place of costlier raw material viz., Rodium which if it proves to be successful then the company will be in a position to earn profits and wipe out all the accumulated losses going forward.

DEPOSITS

During the year under review, the Company has not accepted any deposits within the meaning of the provisions of Companies Act 2013 and Companies (Acceptance of Deposits) Rules, 2014. As on 31st March, 2023 the Company did not have any outstanding Public Deposit.

DIVIDEND AND TRANSFER TO RESERVES

Considering the growth plans and the consequential need to conserve resources, the directors have decided not to recommend any dividend for the financial year 2022-23. The directors also do not recommend any transfer to reserves.

ANNUAL RETURN

Draft Annual Return in Form MGT-7 as on 31st March, 2023 is available in the Company's Website at www.switchingtechnologiesguntherltd.com

HOLDING COMPANY

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

MANAGEMENT DISCUSSION AND ANALYSIS

The details pertaining to the Management Discussion and Analysis have been given as Annexure A forming part of the Annual Report.

FUTURE PROSPECTS/FINANCIAL POSITION

It has been a difficult year as the operations of the Company were still affected due to insufficient business orders and exchange fluctuation losses. The prices of the main raw materials had increased particularly Gold and Rodium whose prices had increased manifold and infact sky rocketed but the Company could not pass on the proportionate increase in sale prices to the end consumer. In this context, the company on a trial basis is trying to use a substitute cheaper raw material Ruthinium in place of Rodium, and if it proves to be successful then the Company will be in a position to earn profits and wipe out the losses going forward. The Company is also undergoing several cost cutting measures to bring down the losses. The Management is confident of reviving the company and the ability to continue as a going concern.

MANUFACTURING FACILITIES

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

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

RESEARCH & DEVELOPMENT

No Major Research and development activities were carried out. However, a little Research & Development is being done in the Badalex and Semi automatic department to keep pace with technological up-gradation.

INFORMATION SYSTEMS

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

DIRECTORS

Mr.C.Chandrachudan was appointed as Managing Director by the Board of Directors in their Board Meeting held on 26th May, 2022 subject to the approval/regularization of the Shareholders in the Annual General Meeting (AGM) for a period of five years with effect from 26th May, 2022 was regularized in the AGM held on 28th September, 2022.

Mr.K.Manoharan was appointed as Additdional Director (Executive) subject to regularization by the Shareholders in the Annual General Meeting (AGM) was regularized in the AGM held on 28th September, 2022.

KEY MANAGERIAL PERSONNEL

Your Company has Mr.C.Chandrachudan, Managing Director, Mr.K.Manoharan, Executive Director, Mrs.T.Nirmala, Chief Financial Officer and Mr.S.Ramesh, Company Secretary in the category of Key Managerial Personnel as mandated by the provisions of Section 203 of the Companies Act, 2013.

STATUTORY AUDITORS

The Company had appointed M/s. V.V. Kale & Co., Chartered Accountants, New Delhi as the Statutory Auditors of the Company for a period of five years starting from the Financial Year 2022-23 to Financial Year 2026-27 subject to the approval of the Shareholders in the Annual General Meeting (AGM) was approved in the AGM of the company held on 28th September, 2022.

AUDITOR'S OBSERVATION

Emphasis of Matter

(i) **Material uncertainty related to Going Concern**

We draw attention to Note 6 in the Financial Results. The Company's accumulated losses as at March 31, 2023 aggregate to ₹ 478.40 Lakhs resulting in complete erosion of its net worth. Further, as of that date, Company's current assets exceeded its current liabilities by ₹ 211.81 Lakhs. These factors along with other matters as set forth in said notes cast material uncertainty about the Company's ability to continue as a going concern in the foreseeable future. However, the Company's financial statement has been prepared on going concern basis as disclosed by management in said note.

(ii) **Exceptional Income from write back of credit balances worth ₹ 2,152.05 Lakhs**

We draw attention to the Note 7 in the Financial Results. The Company has recorded exceptional income during Q4 2022-23. This represents write back of credit balances in respect of purchase of raw materials, consumables etc payable to Group Companies amounting to ₹ 2,152.05 Lakhs. The write back has been approved by the Board in its meeting dated May 29, 2023 and is in the process of intimation to the AD Bank as per prevailing regulations as applicable. Further, the Management confirms that no interest / penal charge is being made by the Group Company on account of such write back.

(iii) **Non-Creation of Deferred Tax Assets / Deferred Tax Liability as at March 31, 2023**

We draw attention to Note 8 to the Financial Results. The Company's profitability during Quarter and Year Ending March 31, 2023 is solely on account of write back of exceptional items (as detailed in Note - 7) to the said results and hence in the absence of certainty regarding sufficient future taxable income, the Deferred Tax Asset on timing differences including the unabsorbed depreciation have not been recognized as per IndAS12 "Income Taxes". Moreover, the Deferred Tax Liabilities, to the extent of the value of Deferred Tax Asset which have not been recognized on account of inability to meet the recognition criteria as per the said IndAS, have also not been recognized.

SECRETARIAL AUDIT REPORT

Your Company had appointed Ms. Shweta Singh, Company Secretary in Whole Time Practice, as Secretarial Auditor of the Company for a period of one year to give Secretarial Audit Report and Secretarial Compliance Report. As per the provisions of section 204 of the Companies Act, 2013, the Secretarial Audit Report from Ms. Shweta Singh, Practising Company Secretary, has been obtained and the same is attached as Annexure E to this report.

ADDENDUM TO SECRETARIAL AUDIT REPORT

The Management and the concerned Secretarial Department has taken note of the observations as cited in the Secretarial Audit Report and will ensure it is rectified going forward.

The policies as mentioned in the Report will be placed and approved in the ensuing Board Meeting.

The Company has been registered under the Factories Act and will get itself registered under the Tamil Nadu Shops and Establishments Act, 1947 at the earliest.

The Company has not intentionally/willfully omitted to file MGT-14 for the ordinary resolutions passed in the Annual General Meeting of the company held on 28th September, 2022. The Company has paid additional fees and filed Form MGT-14 with the Registrar of Companies in compliance with the General Circular No.14/2020.

AUDIT COMMITTEE

The Audit Committee of your company consists of 3 Directors. At present the members of the Audit Committee are Mr.C.Chandrachudan, Mr.Kanthimathinathan Chocalingam and Ms.Gayathri M N. The Audit Committee met 4 times on 26th May, 2022, 11th August 2022, 14th November, 2022 and 8th February, 2023. The Audit Committee has reviewed the Unaudited Quarterly Financial Results and the Audited Yearly Accounts for the FY 2022-23 besides the Related Party Transactions.

PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE

Your Company is committed to creating and maintaining an atmosphere in which employees can work together without fear of sexual harassment, exploitation or intimidation. The Company has zero tolerance for sexual harassment at workplace and has put in place an adequate system for safeguarding the dignity of women employees and provide justice to the affected employees without delays required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('Act').

No complaints were received by the company during the year under review.

PERSONNEL

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

DEPOSITORY SYSTEM

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

LISTING WITH STOCK EXCHANGES

Your company's shares are listed in BSE LTD (Bombay Stock Exchange). The listing continued throughout the year. Listing fees have been paid up to date.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- b) The Directors had selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for the year.
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Annual Accounts have been prepared on a 'Going Concern' basis.
- e) The proper policies and procedures have been adopted for ensuring the orderly and efficient conduct of its business, including adherence to code of conduct and policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and the timely preparation of reliable financial information and that such policies and procedures are adequate and were operating effectively.
- f) Proper systems are in place to ensure compliance of all laws applicable to the Company and that such systems are adequate and operating effectively.

CORPORATE GOVERNANCE

The norms/provisions of corporate governance is not applicable to your company as the Paid-up Equity Capital is not exceeding ₹10 Crores and Net Worth is not exceeding ₹25 Crores, as on the last day of the previous financial year, i.e. 31st March 2023 as per Regulation 15(2) of SEBI (Listing Obligations & Disclosures Requirement) Regulation, 2015. However as a matter of prudent business practice certain essential details for the sake of shareholders are reported in a separate Annexure F.

Further, the net profit of the Company for the year ended on March 31, 2023, was more than 5 (five) crores only on account of exceptional items. Furthermore, the Company has not generated any profit in the last 3 (three) years, hence, the average net profit of last three years is negative.

RISK MANAGEMENT POLICY

The Company has established risk management framework that enables regular and active monitoring of business activities for identification, assessment and mitigation of potential internal or external risks. The respective functional / business head(s) are entrusted with the responsibility of identifying, mitigating and monitoring of risk in their respective areas. Risk management forms an integral part of the management and is an ongoing process integrated with the operations.

The Company has a risk management policy for identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company. The Company's risk management processes focus on ensuring that risks are identified promptly, and mitigation action plan is formulated and executed timely.

Insolvency and Bankruptcy Code, 2016

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

Declaration by Independent Directors

The Company has received declarations from all the independent directors of the Company confirming that they meet with criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and the Listing Regulations.

Further, all the Independent Directors have registered their names in the data bank maintained and managed by Indian Institute of Corporate Affairs. During the year, the Independent Directors of your Company had no pecuniary relationship or transactions with your Company other than sitting fees accrued to them for attending meetings of the Board and its committee(s).

Further, no independent director was appointed during the year.

DISCLOSURES AND INFORMATION UNDER THE COMPANIES ACT, 2013

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

- (a) Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo is given in 'Annexure C' and forms part of the Board's Report.
- (b) Board meetings

The Board of Directors of your Company met 05 times during the year under review.

S.No.	Name	Number of Board Meetings held during the year 2022-23	Number of Board Meetings attended during the year 2022-23
1	Mr.C.Chandrachudan *	5	4
2	Mr.K.Manoharan **	5	4
3	Mr.Kanthimathinathan Chocalingam	5	5
4	Ms.Gayathri M N	5	5

* Mr.C.Chandrachudan was appointed as Additional Director on 25th May, 2022.

** Mr.K.Manoharan was appointed as Additional Director on 25th May, 2022.

- (c) Particulars of Loans received from Directors and/or their relatives:

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

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

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

- (d) Related Party Transactions

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

(e) Particulars of Employees:

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as Annexure D to this Report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENTS

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

DETAILS OF CESSATION OF DIRECTORS & OTHER MANAGERIAL PERSONNEL DURING THE YEAR

During the year under review, Mr.Padmanabha Pillai Ramesh, Managing Director retired from the services of the Company on 6th May, 2022. Mr. C. Chandrachudan resigned as Chief Financial Officer on 25th May, 2022.

DETAILS OF APPOINTMENT OF DIRECTORS & OTHER MANAGERIAL PERSONNEL DURING THE YEAR

During the year under review, the Company had appointed Mr.C. Chandrachudan and Mr.K.Manoharan as Additional Directors on 25th May, 2022 and were regularized in the AGM held on 28th September, 2022.

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES AOC 1 – Not Applicable

DETAILS OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR; RULE 8(1) - Not Applicable

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

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



2.	Details of material contracts or arrangement or transactions at arm's length basis	
	(a) Name(s) of the related party and nature of relationship	<p>Comus International 454, Allwood Rd., Clifton New Jersey 07012 USA</p> <p>Comus Belgium BVBA Overhaamlaan 40 B-3700 Tongeren Belgium</p> <p>Comus Europe Limited Unit 7, Rice Bridge Industrial Estate Thorpe - le - Soken Essex, England CO16 OHL</p> <p>Comus Technology BV Jan camperstraat 11 6416 SG Heerlen The Netherlands</p> <p>Gunther America Inc. 454, Allwood Rd., Clifton New Jersey 07012 USA</p> <p>Comus International is the Parent Company. Comus Belgium, Comus Europe are direct subsidiary of Comus International. Gunther America is holding 61.22 % shares in STG Ltd. Gunther America is subsidiary of Comus International. Hence, STG is also subsidiary of Comus International.</p>

	(b) Nature of contracts/arrangements/ transactions	Import / Export marketing agreement executed between the group companies. Raw materials are supplied duty free to STG Ltd by overseas group companies. STG Ltd converts the raw materials and supplies back finished goods to group companies. Payment to the overseas vendors of raw material is paid by overseas group companies directly and the raw material costs are adjusted against the sales invoices for finished goods of STG Ltd, barring a few exceptions when at times STG makes the payment directly to the vendor if the situation so warrants.
	(c) Duration of the contracts / arrangements/transactions	Contract termination is at will.
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	As mentioned in Para-(b) above.
	(e) Date(s) of approval by the Board, if any:	The agreement is from the inception of STG Ltd.
	(f) Amount paid as advances, if any:	STG has not paid any advance to its group companies.

Disclosure in respect of related party-wise transactions is given under Note-35 in the Notes Forming Part of Accounts.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Place : Chennai

C.CHANDRACHUDAN

K.MANOHARAN

Date : 11th August, 2023

Managing Director

Executive Director

ANNEXURE-A

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

INDUSTRY STRUCTURE AND DEVELOPMENTS

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

Your company has got all its machine and equipment dating more than 37 years old. Nevertheless, your company has customized the machinery and equipment to suit the latest technological upgradation and need of the hour.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

A) Segment wise / Division wise Operations

Particulars	AS ON 31.03.2023		AS ON 31.03.2022	
	Quantity	Value	Quantity	Value
Segment wise	(in Nos.)	(₹)	(in Nos)	(₹)
Reed Switches	2,070,469	74,209,907	2,256,488	71,776,778
Proximity Sensors	404,077	34,481,343	193,603	15,064,356
Ball Switch	177,000	1,590,446	405,000	7,605,392
Others	-	4,961,672	-	11,701,193
TOTAL	2,651,546	115,243,368	2,855,151	106,147,719

B) Other Initiatives

Initiatives has been taken up by your company on a trial basis in trying to use a substitute cheaper raw material Ruthinium in place of Rodium, and if it proves to be successful then the Company will be in a position to earn profits and wipe out the losses going forward. The Company is also undergoing cost cutting measures to bring down the losses.

C) Outlook

There were no sufficient business orders. The prices of the raw materials had increased but the Company could not pass on the proportionate increase in prices to the end consumer.

However the Company had undergone cost cutting measures to bring down the losses and the Management is confident of reviving the business of the company in the years to come by increasing the productivity and by adding new products and reduce the scrap generation because of which, your company will be in a position to reduce the loss and be profitable in the years to come.

D) Finance and Investments

Your company has not taken any loan, or deposit etc. from any one, except for issuance of 98,178 Zero Coupon Redeemable Preference Shares (RPS) of ₹100/- each to its holding company M/s.Gunther America Inc.,

In this context, the Company has passed the special resolution in its Annual General Meeting held on 21st September, 2021 to convert the RPS into equity shares of the Company. However as on date the conversion is not materialized yet and the company is taking the initiative to convert the same at the earliest.

E) Human Resource Development and Industrial Relations

Human Resource Development and Industrial Relations was very cordial. Your company's wage agreement with the STG's worker Union were finalised.

F) Internal Control Systems and Their Adequacy

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

G) Information Security

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

H) Opportunities and Threats & Risks and Concerns

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

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

ANNEXURE-B

Forming Part of the Board's Report

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FOR SWITCHING TECHNOLOGIES GUNTHER LIMITED

Part A:

SUSTAINABILITY EFFORTS BY SWITCHING TECHNOLOGIES GUNTHER LTD.

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

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

Part B:

BUSINESS RESPONSIBILITY INITIATIVES BY SWITCHING TECHNOLOGIES GUNTHER LIMITED

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

Your company is very particular about taking care of requirements of its workers and their family members. Even though the company is under severe financial crisis, the company still manages to assist its employees in the best possible way within its meets and bounds. This will be evidenced from the very fact that till the year 2007 – 08, your company was stuck with lots of labour issues, besides being rendered sick company and having been referred to BIFR. Due to initiatives taken by your management over a period of time, the company has not only come out of clutches of BIFR but

has also broken even in the financial year 2013-14 and booked profits in FY 2014-15. This could not have been possible without the paternalistic approach of your company towards the needs and requirements of the employees. However, in the subsequent years, your company had incurred losses again mainly due to the fact that there was steep decline in sales orders and exchange fluctuation losses. During the financial year under reporting, your company has posted a profit of ₹113.361 million mainly because of an exceptional income during Q4 of 2022-23 which represents the write back of credit balances in respect of purchase of raw materials, consumables, etc payable to Group Companies amounting to ₹2,152.05 lakhs.

ANNEXURE-C

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

Forming Part of the Board's Report

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

A. Conservation of Energy

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

B. Technology Absorption

The Company does not have a technical collaboration.

C. Foreign Exchange earnings and outgo

Foreign Exchange earned on the export of Reed Switches and others on FOB basis during the period under review amounts to ₹1151.49 lacs. Foreign exchange outgo on account of Imported Raw Materials, Stores and Capital Goods expenditure was ₹944.02 lacs.

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

ANNEXURE-D

Forming part of the Board's Report

Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

- (1) The number of permanent employees on the rolls of company as on 31st March, 2023 is 103.
- (2) The average percentage increase in the remuneration of employees in the financial year was 11.59%

Average increase in remuneration is guided by factors like economic growth, inflation, mandatory increases, external competitiveness and talent retention. On the other hand, the overall wage bill is impacted by the increase in remuneration and other structural changes in manufacturing processes, etc. Whilst the Company has a strong cost focus, employee cost being one of the key areas for cost monitoring and control, the results of any structural initiatives needs to be measured over a long term horizon and cannot be strictly compared with annual performance indicators.

- (3) The increase in remuneration of the Key Managerial Personnel is 20.82%
- (4) The market capitalization of the company and the price earnings ratio as at the closing date of the current financial year and previous financial year is tabled below:

	As at 31.03.2022	As at 31.03.2023	Percentage Increase/ (Decrease)
Market Capitalisation (₹in Crores)	10.29	6.60	-35.83
Price Earnings Ratio	119.50	-150.50	-225.94
Current Market Price	42	26.95	-35.83

- 5) The closing market price of the shares of the Company as at March 31, 2023 was ₹26.95/- (BSE) and as at March 31, 2022 was ₹42.00/- (BSE). The increase/ decrease in the market quotations of the shares of the company is as tabled below;

Date	March 31, 2022	March 31, 2023
Market Price as on	42	26.95

- (6) The total managerial remuneration comprises of remuneration of the Managing Director, Executive Director, Company Secretary and Chief Financial Officer.
- (7) Remuneration of Key Managerial Personnel of the Company i.e., Managing Director, Executive Director, Chief Financial Officer and Company Secretary is indicated below:

Name of KMP	Particulars of Remuneration	As on 31st March, 2023	As on 31st March, 2022
Mr. C.Chandrachudan * Managing Director	Salaries and Allowances	5,64,494	4,17,210
	Contribution to PF and other Funds	48,135	39,110
	Perquisites	31,500	35,006
Mr.K.Manoharan ** Executive Director	Salaries and Allowances	5,28,020	–
	Contribution to PF and other Funds	45,881	–
	Perquisites	31,500	–
Mr.S.Ramesh Company Secretary	Salaries and Allowances	5,95,184	6,01,491
	Contribution to PF and other Funds	46,000	45,375
	Perquisites	31,500	–
Mrs.T.Nirmala ** Chief Financial Officer	Salaries and Allowances	4,08,130	–
	Contribution to PF and other Funds	36,856	–
	Perquisites	31,500	–

* As on 31.03.2022 Mr. C. Chandrachudan was drawing remuneration as Chief Financial Officer.

** Mr. K. Manoharan and Mrs. T. Nirmala were appointed as Executive Director and Chief Financial Officer in May, 2022.

ANNEXURE-E

Forming part of the Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

SWITCHING TECHNOLOGIES GUNTHER LIMITED

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Switching Technologies Gunther Limited (hereinafter called "**the Company**"). The Secretarial Audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, according to the provisions of:

- i. The Companies Act, 2013 ("**the Act**") and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

- iii. The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
 - (a) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR 2015");
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during the audit period);
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time (Not applicable to the Company during the audit period);
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the audit period);
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and the Securities and Exchange Board of India (issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period);
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and The Securities and Exchange Board of India (Delisting of Equity Sharers) Regulations, 2021(Not applicable to the Company during the audit period);
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018(Not applicable to the Company during the audit period);
- vi. The list of major heads/ group of Acts, Law and Regulations as applicable to the Company as per management declaration and representation, is mentioned below. In relation to these laws, I have relied on the representation made by the Company and its Officers for system

and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company:

1. The Sexual Harassment of Women of workplace (Prevention, prohibition and redressal) Act, 2013.
2. Labour Laws:
 - i. The Employees Provident Funds and Miscellaneous Provision's Act, 1952;
 - ii. Employees' State Insurance Act, 1948;
 - iii. Minimum Wages Act, 1946;
 - iv. Maternity Benefit Act, 1960;
 - v. Payment of Bonus Act, 1965;
 - vi. Child Labour (Prohibition & Regulation) Act, 1986;
 - vii. Equal Remuneration Act, 1976;
 - viii. Payment of Gratuity Act, 1979;
 - ix. Special Economic Zones Act 2005 and the rules made thereunder;
 - x. Factories Act, 1948;
 - xi. Tamil Nadu Shops and Establishments Act, 1947;
 - xii. Industrial Disputes Act, 1947;
 - xiii. Industrial Employment (Standing Orders) Act, 1946.

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India ("ICSI") with respect to board and general meetings.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange.
- iii. Memorandum and Articles of Association of the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- i. The Company has not included any statement indicating the manner in which formal annual evaluation of the performance of the Board, its Committees and of individual directors has been made in its board report as per the requirement of Section 134(3)(p).
- ii. The Company had issued 98,178 Zero Coupon Redeemable Preference Shares ("RPS") of Rs 100/- each on February 14, 2009, which were due for conversion on or before

February 14, 2021. It has been noted that the Company had passed the special resolution in its Annual General meeting held on September 21, 2021, to convert the RPS into equity shares of the Company, however as on date the conversion is not materialized yet. Therefore, as on March 31, 2023, the paid-up capital of the Company is comprised of equity shares and RPS.

- iii. The Company has not adopted the following policies as per SEBI LODR 2015:
 - a. Policy for preservation of documents.
 - b. Policy on materiality of related party transactions.
 - c. Policy for determination of materiality.
 - d. Archival Policy.
 - e. Policy relating to remuneration of the directors, key managerial personnel and other employees.
 - f. Policy on diversity of board of directors.
- iv. The Company does not have Tamil Nadu Shops and Establishments Act, 1947 registration. It is recommended to obtain the registration under the stated enactment.
- v. The Company has delayed in filing the ordinary resolution passed in the Annual General Meeting held on September 28, 2022, with Registrar of Companies in compliance with General Circular no. 14/2020.
- vi. The Company has failed to provide all required disclosures on its website.
- vii. Pursuant to the provisions of Section 135 of the Companies Act 2013, the threshold limit for applicability of Corporate Social Responsibility (“CSR”) to any company is (a) net worth of the company is Rs. 500 crores or more; or (b) turnover of the company is Rs. 1000 crores or more; or (c) net profit of the company is Rs. 5 crores or more.

The net profit of the Company for the year ended on March 31, 2023, was more than 5 (five) crores only on account of exceptional items. Furthermore, the Company has not generated any profit in the last 3 (three) years, hence, the average net profit of last three years is negative.

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except for meetings conducted at

shorter notice after complying with the necessary provisions), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

- i. During the financial year under review, Mr. Chidambaram Chandrachudan resigned from the position of CFO as with effect from May 25, 2022, and was appointed as Additional Director (Executive Director) on the board of the Company with effect from May 25, 2022. Further, the designation of Mr. Chidambaram Chandrachudan has been changed from Additional Director (Executive Director) to Managing Director with effect from May 26, 2022.
- ii. During the year under review, Mr. Kasirajan Manoharan was appointed as Additional Director (Executive Director) on the board of the Company with effect from May 25, 2022.
- iii. During the year under review, Ms. Nirmala was appointed as CFO on the board of the Company with effect from May 26, 2022.
- iv. During the year under review, Mr. Padmanabhapillai Ramesh retired from the Company with effect from May 06, 2022. Therefore, by virtue of his retirement, the directorship of the said director also stands terminated. However, there was a delay in filing the e-form DIR-12 with the Registrar of Companies.
- v. During the year under review, Mr. Chidambaram Chandrachudan and Mr. Kasirajan Manoharan have regularized as Managing Director and Executive Director, respectively in the Annual General Meeting held on September 28, 2022.

Place : New Delhi
Date : July 28, 2023

Sd/-
SHWETA SINGH
ACS NO. 37858
CP NO. 23579
UDIN: A037858E000692886

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

APPENDIX-‘A’

To,

The Members

SWITCHING TECHNOLOGIES GUNTHER LIMITED

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

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

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

Place : New Delhi

Date : July 28, 2023

Sd/-

SHWETA SINGH

ACS NO. 37858

CP NO. 23579

UDIN: A037858E000692886

APPENDIX-‘B’

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

- I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. Switching Technologies Gunther Limited** having CIN: L29142TN1988PLC015647 and having registered office situated at Plots Nos. B-9 & B-10, Madras Export Processing Zone, Kadapperi, Tambaram, Chennai - 600045 (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below as on the date of Financial Year ended on 31st March, 2023, have been debarred or disqualified from being appointed or continuing as Directors of the company by the Securities and Exchange Board of India and/or the Registrar of Companies or Ministry of Corporate Affairs or any such statutory authority.

Sl. No.	Name of the Director	Director Identification Number (DIN)	Date of Appointment/ Re appointment in the Company	Designation and Remarks, if any
1	Mr. Chidambaram Chandrachudan	09312268	Additional Director-25.05.2022 Change in designation- 26.05.2022 Regularization in Annual General Meeting- 28.09.022	Managing Director

2	Mr. Kasirajan Manoharan	09615102	Additional Director-25.05.2022 Regularization in Annual General Meeting- 28.09.022	Executive Director
3	Mr. Kanthimathinathan Chocalingam	02281861	21.09.2021	Independent Director
4	Ms. Gayathri Muttur Nagaraj	06742638	21.09.2021	Independent Woman Director

It is the responsibility of the management of the Company to ensure the eligibility for the appointments of Directors and their continuance as Directors on the Board. Our responsibility is to express an opinion on the matter and this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : New Delhi
Date : July 28, 2023

Sd/-
SHWETA SINGH
ACS NO. 37858
CP NO. 23579
UDIN: A037858E000692886

ANNEXURE - F

REPORT ON CORPORATE GOVERNANCE

Clause 49 of the Listing Agreement with the Indian Stock Exchanges and SEBI (LODR) Regulations, 2015 stipulates the norms and disclosure standards that have to be followed on the Corporate Governance front by listed Indian companies.

1. THE COMPANY'S PHILOSOPHY

The company is in a field of manufacturing and sales of electrical and electronic components which among others includes Reed Switches, Proximity Sensors, Ball Switches, etc.

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

THE GOVERNANCE STRUCTURE

2. BOARD OF DIRECTORS

a) Board Structure

The Board of Directors of the Company as on 31st March, 2023 comprised of 4 Directors, which includes a Managing Director.

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

b) Board meetings held and Directors' attendance record

The Board meets at least once in a quarter to consider among other businesses, quarterly performance of the Company and financial results. To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board. During the FY 2022-23, five Board meetings were held.

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

Name of Director	Category	Board Meetings held during the year	Board Meetings attended during the year	Whether attended last AGM	Directorships in other public companies as at year end	Number of Chairmanships / memberships in Board Committees in other companies as at year end
Mr.C.Chandrachudan	Managing Director	5	4	Yes	Nil	Nil
Mr.K.Manoharan	Executive Director	5	4	Yes	Nil	Nil
Mr.Kanthimathinathan Chocalingam	Non-Executive-Independent Director	5	5	Yes	Nil	Nil
Ms.Gayathri M N	Non-Executive-Independent Woman Director	5	5	Yes	1) AADI Industries Limited 2) Satchmo Holdings Limited 3)Nivaka Fashions Limited 4)ISF Limited	Nil

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

The Board of the Company is presented with all the information whenever applicable. These are submitted either as part of the agenda papers before the Board meeting or are tabled in the course of the Board meeting.

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

3. COMMITTEES OF THE BOARD

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

The Composition of Committees is given below:

Name of Director	Position in the Committee		
	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee
Mr.C.Chandrachudan	Member	-	-
Mr.K.Manoharan	-	Member	Member
Ms.Gayathri M N	Member	Member	Chairperson
Mr.Kanthimathinathan Chocalingam	Chairman	Chairman	Member

(a) Attendance Details for Committee Meetings

Name of Meeting	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee
Meetings Held	4	2	3
Directors' Attendance:			
Mr.C.Chandrachudan	4	-	-
Mr.Kanthimathinathan Chocalingam	4	2	3
Ms.Gayathri M N	4	2	3
Mr.K.Manoharan	-	2	3

(b) Terms of reference of Board Committees:

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

(1) Audit Committee:

- a) Reviewing the Audited/Unaudited Financial statements before submission to the board for approval.
- b) Changes, if any, in accounting policies and practices and reasons for the same.
- c) Compliance with listing and other requirements relating to financial statements.
- d) Disclosure of related party transactions.

(2) Remuneration Committee

The terms of remuneration Committee are as below.

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

(3) Stakeholders Relationship /Shareholders Committee

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

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

There are no pending share transfers as on March 31, 2023.

(4) Risk Management Committee

The Risk Management Committee is not applicable to the Company.

4. GENERAL BODY MEETINGS

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

Year	Venue	Date	Time
September 2020	Through Audio/Video Conferencing Mode	24/09/2020	2.30 p.m
September 2021	Through Audio/Video Conferencing Mode	21/09/2021	2.30 p.m
September 2022	Through Audio/Video Conferencing Mode	28/09/2022	2.30 p.m

b) Details of Special Resolutions passed in last 3 AGMs

Year	Special Resolution Passed
September 2020	Nil
September 2021	To approve the terms and conditions of Compulsory Convertible Preference Shares
September 2022	Nil

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

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

Resolutions were passed unanimously through e-Voting.

5. DISCLOSURES

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

b) Complaints received under Whistle Blower Policy - NIL

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

INDEPENDENT AUDITORS' REPORT

To the Members of Switching Technologies Gunther Limited

Report on the Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Switching Technologies Gunther Limited ("the Company"), which comprises of the balance sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

Material uncertainty related to Going Concern

We draw attention to the Note 37 in the Financial Statements. The company has incurred operating loss (excluding exceptional income) of ₹ 1,018.43 Lakhs/- during the year ended March 31, 2023 and as of that date, the Company's accumulated losses aggregate to ₹ 478.40 Lakhs/- resulting in complete erosion of its net worth. These factors along with other matters as set forth in said notes cast material uncertainty about the Company's ability to continue as a going concern in the foreseeable future. However, the Company's financial statement has been prepared on going concern basis as disclosed by management in said note. Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note 28 to the financial statements. Exceptional items represents write back of credit balances in respect of purchase of raw materials, consumables etc payable to Group Companies amounting to INR 2,152.05 Lakhs. The write back has been approved by the Board in its meeting dated May 29, 2023 and is in the process of intimation to the AD Bank as per prevailing regulations as applicable. Further, the Management confirms that no interest / penal charge is being made by the Group Company on account of such write back. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

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

(A) As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”;
- (B) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact, wherever necessary, of pending litigations on its financial position in its financial statements - Refer Note 29 to the financial statements;
 - ii. the Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Management has represented that, during the financial year ending March 31, 2023, to the best of it’s knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- v. The Management has represented, that, during the financial year ending March 31, 2023, to the best of it's knowledge and belief , no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- vii. The company has not declared or paid any dividend during the financial year ended 31st March, 2023 and thus the reporting requirement as per Rule 11(f) is not applicable.

(C)With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For and on behalf of
V V Kale & Co
Chartered Accountants
Firm Reg. Number: 000897N

Place : New Delhi
Date : May 29, 2023

Vijay V. Kale
Partner
Membership No. 080821
UDIN : 23080821BGUWRM3575

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of Switching Technologies Günther Limited ("the Company") on the financial statements for the year ended March 31, 2023, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipments.
(B) The Company has maintained proper records showing full particulars of intangible assets
- (b) As per the information and explanation given to us, no physical verification of fixed assets has been carried out by the Company during the year ended March 31, 2023.
- (c) The Company does not own any immovable properties and accordingly, the provision of Paragraph 3(i)(c) of the Order are not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the period and accordingly, the provision of Paragraph 3(i)(d) are not applicable to the Company.
- (e) As per the information and explanations given to us, no proceedings have been initiated and / or pending against the Company under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder and accordingly, the provision of Paragraph 3(i)(e) are not applicable to the Company.
- (ii) (a) As per the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management. As per the information received, there was no deviation beyond 10% in aggregate in each class of inventory. We have relied on the management certificate on closing balance of inventory.
(b) The Company has not availed any working capital limits on the security of current assets from banks or financial institutions and accordingly, the provisions of Paragraph 3(ii)(b) of the Order are not applicable to the Company.
- (iii) As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') and therefore, the provisions of Paragraph 3(iii)(a) to Paragraph 3(iii)(f) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted loans / made any investments / issued any guarantees for which provisions

of section 185 and 186 of the Act are to be complied with. Accordingly, the provisions of Paragraph 3(iv) of the Order are not applicable to the Company.

- (v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2023 and accordingly, the provisions of Paragraph 3(v) of the Order are not applicable to the Company.
- (vi) To the best of our knowledge and according to the explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, for goods manufactured / traded by the Company. Accordingly, the provision of Paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, GST, cess and other material statutory dues have been regularly deposited during the period by the Company with appropriate authorities.

According to the information and explanations given to us, in our opinion, no undisputed amounts payable in respect of statutory dues including Provident Fund, Employees' State Insurance, Service Tax, Custom Duty, Cess and other statutory dues applicable to it as on March 31, 2023 for a period of more than six months from the date they became payable. However, the company has during the year recorded expense amounting to ₹ 32.60 Lakhs and ₹ 49.28 Lakhs by way of recharge from its group company towards security service & Professional fee expenses respectively incurred by the latter on which the company has not deducted any TDS as per the Income Tax Act, 1961. Further, the Company has not paid GST on reverse charge basis for the above service. The management is of the opinion that since these charges are in the nature of pure reimbursement and also considering that the unit is an SEZ Unit, TDS and GST obligations do not arise.

We are informed that the operations of the Company do not give rise to any liability for Value Added Tax, Central Sales Tax, Wealth Tax and Excise Duty.

- (b) According to the records of the Company, there are no dues outstanding of Income Tax, Service Tax, Goods & Services Tax, Custom Duty and Cess which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us there are Nil transactions which have been disclosed as income under the Income Tax Act, 1961 which were previously unrecorded in the books.

- (ix) (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not availed any borrowings from lenders and accordingly, the provision of Paragraph 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company is not declared willful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us, no term loans were generated by the Company during the period and accordingly, the provision of Paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not taken any loans on account of or to meet the obligation of associate companies during the period and accordingly, the provision of Paragraph 3(ix)(d) of the Order is not applicable to the Company. It is clarified that the Company does not have any joint venture / subsidiary / associate of its own and that it only has an associate company having common parent entity another Company during the year
- (e) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not taken any loan on pledge of any securities held in associates and accordingly, the provision of Paragraph 3(ix)(e) & Paragraph 3(ix)(f) of the Order are not applicable to the Company. It is clarified that the Company does not have any joint venture / subsidiary / associate of its own and that it only has an associate company having common parent entity another Company during the year.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further offer (including debt instruments) during the period and accordingly, the provision of Paragraph 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not raised any moneys by way of by private placement / preferential issue during the year and that the moneys raised during the year and accordingly, the provision of Paragraph 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based upon the audit procedures performed and according to the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
- (b) No report has been filed by the auditors under sub-section (12) of section 143 of the Companies Act with the Central Government during the period.

- (c) No whistle blower complaints were reported during the period.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii)(a) to paragraph 3(xii)(c) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)(a) According to the information and explanations give to us and based on our examination of the records of the Company, we are of the opinion that the Company does not have an internal audit system commensurate with the size and nature of its business.
- (b) During the course of our audit, the reports of internal auditors have been furnished to us by the Company and we have considered the same.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not an NBFC and hence the provisions of paragraph 3(xvi) of the Order is not applicable.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has incurred cash loss of ₹ 1,011.99/- Lakhs (excluding exceptional item) during the year ending March 31, 2023 & ₹ 656.91 lakhs during year ended March, 31 2022. The computation of cash loss for year ending March 31, 2023 and March 31, 2022 is given below:

(₹ in lakhs)

Particulars	FY 2022-23	FY 2021-22
Profit/(Loss) before tax	1,133.62	(-) 665.49
Add: Depreciation & Amortization Expenses	6.44	8.58
Less: Exceptional Income representing write back's	(-) 2,152.05	Nil
Less : Taxes (paid)/ Refund as per Cashflow Statement	Nil	Nil
Cash Profit/(Loss)	(-) 1,011.99	(-) 656.91

- (xviii) There has been a resignation of the Statutory Auditors during the period. We have not been informed of any issues, objections or concerns by the outgoing Auditors.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, we are of the opinion that material uncertainty exists as on the date of the audit report and that company is incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) The provisions regarding Corporate Social Responsibility are not applicable on the Company since the profits are below the applicability threshold. Accordingly, the provisions of Paragraph 3(xx)(a) and Paragraph 3(xx)(b) of the Order are not applicable on the Company.
- (xxi) The Company is a Standalone entity and does not have Subsidiaries, associates and joint ventures and accordingly, the Provisions of Paragraph 3(xxi) of the Order are not applicable on the Company.

For and on behalf of
V V Kale & Co
Chartered Accountants
Firm Reg. Number: 000897N

Vijay V. Kale

Partner

Place : New Delhi
Date : May 29, 2023

Membership No. 080821
UDIN : 23080821BGUWRM3575

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Switching Technologies Gunther Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended March 31, 2023.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were generally operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
V V Kale & Co
Chartered Accountants
Firm Reg. Number: 000897N

Place : New Delhi
Date : May 29, 2023

Vijay V. Kale
Partner
Membership No. 080821
UDIN : 23080821BGUWRM3575

STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH 2023

		(₹ in Lakhs)	
	Note	As at 31st March 2023	As at 31st March 2022
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	31.80	36.12
(b) Intangible Assets	4	0.80	-
(c) Financial Assets			
(i) Others	5	23.80	57.71
(d) Other Non-Current Assets	6	21.52	22.18
		77.93	116.01
Current Assets			
(a) Inventories	7	444.63	598.64
(b) Financial Assets			
(i) Trade Receivables	8	502.09	399.07
(ii) Cash and Cash Equivalents	9	5.93	7.99
(iii) Others	10	1.92	1.26
(c) Other Current Assets	11	11.34	11.23
		965.91	1,018.19
Interunit Balances (net)			
TOTAL ASSETS		1,043.84	1,134.20
EQUITIES AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	12	245.00	245.00
(b) Other Equity	13	(478.40)	(1,374.98)
TOTAL EQUITY		(233.40)	(1,129.98)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities	14	98.18	98.18
(b) Provisions	15	424.96	271.89
(c) Deferred Tax Liability (Net)	16	-	-
		523.14	370.07
CURRENT LIABILITIES			
(a) Financial Liabilities		-	-
(i) Trade Payables	17	-	-
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		657.33	1,850.09
(ii) Other Financial Liabilities	18	28.70	26.48
(b) Other Current Liabilities	19	8.08	7.00
(c) Provisions	20	60.00	10.54
		754.10	1,894.11
TOTAL EQUITY & LIABILITIES		1,043.84	1,134.20

Corporate Information, Basis of Preparation & Significant Accounting Policies 1-3
The accompanying notes 1 to 36 are an integral part of the Standalone
Financial Statements

As per our report of even date attached

For V V KALE & CO.

Chartered Accountants

Firm Registration No. 000897N

For and on behalf of the Board

VIJAY V. KALE

Partner

Membership Number: 080821

UDIN: 23080821BGUWRM3575

C. CHANDRACHUDAN

Managing Director

DIN : 0009312268

K. MANOHARAN

Executive Director

DIN : 0009615102

S. RAMESH

Company Secretary

PAN : AEMPR9361K

Mrs.T.NIRMALA

CFO

PAN : AMTPN4989Q

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

		(₹ in Lakhs)	
	Note	Year ended 31st March 2023	Year ended 31st March 2022
INCOME			
Revenue from operations	21	1,152.43	1,061.48
Other income	22	0.61	44.60
TOTAL INCOME		1,153.04	1,106.08
EXPENSES			
Consumption of provisions, beverages, smokes and others	23	1,047.52	983.63
Change in Inventory of Finished Goods & Stock in Process	24	205.54	75.45
Employee benefits expense	25	524.24	509.54
Depreciation and amortization expenses	4	6.44	8.58
Other expenses	26	387.74	194.37
TOTAL EXPENSES		2,171.47	1,771.57
Profit/(Loss) before exceptional items and tax		(1,018.43)	(665.49)
Exceptional items	28	(2,152.05)	-
Profit/(Loss) before tax		1,133.62	(665.49)
Tax items			
Current tax			
Earlier years tax provisions (written back)		-	-
Deferred tax asset / (liability)		-	4.65
Total tax items		-	4.65
Profit/(Loss) for the year		1,133.62	(660.84)
Other Comprehensive Income / (Loss)			
Items that will not be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans		(237.04)	-
Changes in revaluation surplus		-	-
Other Comprehensive Income for the year / (Loss)		(237.04)	-
Total Comprehensive Income/ (Loss) for the year		896.58	(660.84)
Earning Per Equity Share (Basic and Diluted) (In ₹)	27	46.27	(26.97)

Corporate Information, Basis of Preparation & Significant Accounting Policies 1-3

The accompanying notes 1 to 36 are an integral part of the Standalone Financial Statements

As per our report of even date attached
For V V KALE & CO.
 Chartered Accountants
 Firm Registration No. 000897N

For and on behalf of the Board

VIJAY V. KALE
 Partner
 Membership Number: 080821
 UDIN: 23060821BGUWRM3575

C. CHANDRACHUDAN
 Managing Director
 DIN : 0009312268

K. MANOHARAN
 Executive Director
 DIN : 0009615102

S. RAMESH
 Company Secretary
 PAN : AEMPR9361K

Mrs. T.NIRMALA
 CFO
 PAN : AMTPN4989Q

Place : New Delhi
 Date: May 29, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Lakhs)

(A) CASH FLOW FROM OPERATING ACTIVITIES	2022-23	2021-22
Profit/ (loss) Before Tax	1,133.62	(665.49)
Adjustments for:		
Depreciation and amortization	6.44	8.58
Interest and finance charges	-	-
Interest income	0.61	0.40
(Gain)/Loss on fixed assets sold/ discarded (net)	-	-
Provision for impairment of Investment in subsidiary	-	-
Net unrealized (gain)/loss on foreign currency transaction and translation (relating to other heads)	-	-
Bad debts / advances written off	-	-
Provision for bad & doubtful debts/advances (written back)	-	-
Excess Provisions / Liability no longer required written back	(2,152.05)	-
Non-operating Income	-	-
Operating Profit before Working Capital Changes	(1,011.39)	(656.52)
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables, loans & advances and other assets	(69.21)	(144.04)
(Increase)/decrease in inventories	154.00	120.69
Increase/(decrease) in trade payables, other liabilities and provisions	928.07	689.70
Cash Generated from Operations	1.47	9.82
Income taxes (paid)/refund received	-	-
Net Cashflow from Operating Activities	1.47	9.82
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2.93)	(2.45)
Additions in capital work in progress	-	-
Proceeds from sale of fixed assets	-	-
Investments in bank deposits (with original maturity over 3 months)	-	-
Proceeds from bank deposits (with original maturity over 3 months)	-	-
Interest received	(0.61)	(0.40)
Investment in shares	-	-
Non-operating Income	-	-
Net Cashflow from Investing Activities	(3.53)	(2.85)

	(₹ in Lakhs)	
(C) CASH FLOW FROM FINANCING ACTIVITIES	2022-23	2021-22
Proceeds from long term borrowings		
Receipts	-	-
Payments	-	-
Proceeds from short term borrowings	-	-
Receipts	-	-
Payments	-	-
Interest and finance charges	-	-
Net Cashflow from Financing Activities	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(2.06)	6.97
Cash and bank balances at the beginning of the year	7.99	1.02
Cash and bank balances at the end of the year	5.93	7.99

NOTES:

- 1) The above cash flow statement has been prepared as per the “Indirect method” set out in the Indian Accounting Standard (Ind AS) - 7 Statement of Cash Flows
- 2) Figures in bracket indicate cash outflow.
- 3) Previous year figures have been regrouped and recast wherever necessary to confirm to current year’s classification.

Cash and cash equivalents at the end of the year consist of cash on hand, cheques, draft on hand and balance with banks as follows:

DETAIL OF CASH AND CASH EQUIVALENTS

Balances with banks		
In current accounts	5.05	0.40
Cash on hand	0.38	0.34
Fixed Deposit	0.50	7.25
	5.93	7.99

As per our report of even date attached
For V V KALE & CO.
 Chartered Accountants
 Firm Registration No. 000897N

For and on behalf of the Board

VIJAY V. KALE
 Partner
 Membership Number: 080821
 UDIN: 23060821BGUWRM3575

C. CHANDRACHUDAN
 Managing Director
 DIN : 0009312268

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 Executive Director
 DIN : 0009615102

S. RAMESH
 Company Secretary
 PAN : AEMPR9361K

Mrs.T.NIRMALA
 CFO
 PAN : AMTPN4989Q

STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

(₹in Lakhs)

For the year ended 31st March, 2023

Balance as at 1st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at 31st March, 2023
245.00	-	-	-	245.00

For the year ended 31st March, 2022

(₹in Lakhs)

Balance as at 1st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at 31st March, 2022
245.00	-	-	-	245.00

(B) OTHER EQUITY**(₹ in Lakhs)****For the year ended 31st March, 2023**

Particulars	Reserves and Surplus			Total Equity
	FVTOCI Reserve	Capital Reserve	Retained Earnings	
Balance as at 1st April, 2022	-	35.00	(1,409.98)	(1,374.98)
Profit/(Loss) for the year	(237.04)	-	1,133.62	896.58
Other Comprehensive income/ (loss) for the year	-	-	-	-
Balance as at 31st March, 2023	(237.04)	35.00	(276.36)	(478.40)

For the year ended 31st March, 2022**(₹ in Lakhs)**

Particulars	Reserves and Surplus			Total Equity
	FVTOCI Reserve	Capital Reserve	Retained Earnings	
Balance as at 1st April, 2021	-	35.00	(749.14)	(714.14)
Profit/(Loss) for the year	-	-	(660.84)	(660.84)
Transfer from / to	-	-	-	-
Other Comprehensive income/ (loss) for the year	-	-	-	-
Balance as at 31st March, 2022	-	35.00	(1,409.98)	(1,374.98)

As per our report of even date attached
For V V KALE & CO.
Chartered Accountants
Firm Registration No. 000897N

For and on behalf of the Board

VIJAY V. KALE
Partner
Membership Number: 080821
UDIN: 23080821BGUWRM3575

C. CHANDRACHUDAN
Managing Director
DIN : 0009312268

K. MANOHARAN
Executive Director
DIN : 0009615102

S. RAMESH
Company Secretary
PAN : AEMPR9361K

Mrs.T.NIRMALA
CFO
PAN : AMTPN4989Q

Place : New Delhi
Date: May 29, 2023

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

1. CORPORATE INFORMATION

SWITCHING TECHNOLOGIES GÜNTHER LIMITED (“the Company”) is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE). The Company is engaged in the business of manufacturing and trading of Switching Products in SEZ (MEPZ).

2. BASIS OF PREPARATION

For the year ended 31st March 2023, the Company has prepared its financial statements in accordance with the Indian Accounting Standards notified under Section 133 of the companies Act 2013, read together with Companies (Accounts) Rules 2014 (Ind AS). The financial statements have been prepared on historical cost basis, except certain financial assets and liabilities, if any, which have been measured at fair value, defined benefits plans and contingent consideration. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

II assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purposes of current / non-current classification of assets and liabilities.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- a. Expected to be realized or intended to be sold or consumed in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Expected to be realized within twelve months after the reporting period, or
- d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- a. It is expected to be settled in normal operating cycle
- b. It is held primarily for the purpose of trading
- c. It is due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2A. USE OF ESTIMATES

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be adjusted due to estimates and assumptions turning out to be different from those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgments

The areas involving critical estimates or judgments are:

- a) Estimation of current tax expense and payable – Refer accounting policies - 3.9
- b) Estimated useful life of property, plant & equipment and intangible assets – Refer accounting policies - 3.1
- c) Estimation of defined benefit obligation – Refer accounting policies - 3.8
- d) Estimation of fair values of contingent liabilities - Refer accounting policies - 3.12
- e) Recognition of revenue - Refer accounting policies - 3.4
- f) Recognition of deferred tax assets for carried forward tax losses – Refer accounting policies - 3.9
- g) Impairment of financial assets – Refer accounting policies - 3.2 & 3.5

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, Plant and Equipment:

Property, Plant and Equipment are stated at original cost (including any revalued amount) net of tax / duty credit availed, less accumulated depreciation, and accumulated and accumulated impairment losses, if any. Costs include financing costs of borrowed funds attributable to acquisition or construction of fixed assets, up to the date the assets are put-to-use. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognized separately as independent items and are depreciated over their estimated economic useful lives. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred unless they meet the recognition criteria for capitalization under Property, Plant and Equipment.

Tangible Fixed Assets:

- (a) Depreciation is charged using straight line method on the basis of the expected useful life as specified in Schedule II to the Act. A residual value of 5% (as prescribed in Schedule II to the Act) of the cost of the assets is used for the purpose of calculating the depreciation charge. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognized prospectively in current and future periods.
- (b) Depreciation on leasehold improvements is being charged equally over the period of the lease.
- (c) On transition to Ind AS, the Company had elected to measure its Property, Plant and Equipment at cost as per Ind AS.

Capital Work- in- progress

Capital work- in- progress represents directly attributable costs of construction to be capitalized. All other expenses including interest incurred during construction period are capitalized as a part of the construction cost to the extent to which these expenditures are attributable to the construction as per Ind AS-23 "Borrowing Costs". Interest income earned on temporary investment of funds brought in for the project during construction period are set off from the interest expense accounted for as expenditure during the construction period.

3.2 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures it on the basis of discounted cash flow projections estimated based on current prices. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Impairment losses of continuing operations, including impairment on inventories, are recognized in profit and loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to other comprehensive Income (the 'OCI'). For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

3.3 Foreign Currency Transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are measured in terms of historical costs denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements including receivables and payables which

are likely to be settled in foreseeable future, are recognized as income or as expenses in the year in which they arise. All other exchange differences are recognized as income or as expenses in the period in which they arise.

The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that give rise to the translation difference (i.e. translation difference on items whose gain or loss is recognized in other comprehensive income or the statement of profit and loss is also recognized in other comprehensive income or the statement of profit and loss respectively).

3.4 Revenue recognition

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant. Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue from Sale of Goods

(i) Revenue from sales of Goods is recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude Goods & Services Tax, if any.

Other Income

(ii) Other Income is accounted for on accrual basis.

3.5 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets

a. Initial recognition and measurement:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are

attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognized on the settlement date, trade date, i.e., the date that the Company settle commits to purchase or sell the asset.

b. Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate [EIR] method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

ii Debt instruments at fair value through other comprehensive income [FVTOCI]:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objective of both - for collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income [OCI]. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On

derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

- iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss [FVTPL]:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

- iv. Equity instruments measured at fair value through other comprehensive income [FVTOCI]:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company has made such election on an instrument by- by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

- c. Derecognition:

A financial asset is primarily derecognized when:

- i. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either [a] the Company has transferred substantially all the risks and rewards of the asset, or [b] the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

- ii. the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.
- d. Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss [ECL] model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
- b. Trade receivables or any contractual right to receive cash
- c. Financial assets that are debt instruments and are measured as at FVTOCI
- d. Lease receivables under Ind AS 17
- e. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on Point c and d provided above. The application of simplified approach requires the company to recognize the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade

receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance [or reversal] recognized during the period is recognized as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- a. Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- b. Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

B. Financial liabilities:

- a. Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- b. Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

- i. Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied for liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

ii. Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

iii. Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

c. Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

C. Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses [including impairment gains or losses] or interest.

D. Offsetting of financial instruments:

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.6 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

3.7 Inventories

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

3.8 Retirement benefits

Retirement benefit costs for the year are determined on the following basis:

- (i) All employees are covered under contributory provident fund benefit of a contribution of 12% of salary. There is no obligation other than the contribution payable to the respective fund.
- (ii) The Company also provides for retirement benefits in the form of gratuity and compensated absences/ Leave encashment in pursuance of the Company leave rules. The Company's liability towards such defined benefit plans are determined based on valuations as at the Balance Sheet date made by independent actuaries. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.\

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not classified to the statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

3.9 Taxes on Income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and tax laws prevailing in the respective tax jurisdictions where the Company operates. Current tax items are recognized in correlation to the underlying transaction either in P&L, OCI or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized on the basis of reasonable certainty that the company will be having sufficient future taxable profits and based on the same the DTA has been recognized in the books.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

3.10 Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs which are not specifically attributable to the acquisition, construction or production of a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a weighted average capitalization rate. The weighted average rate is taken of the borrowing costs applicable to the outstanding borrowings of the company during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized cannot exceed the amount of borrowing costs incurred during that period.

3.11 Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss from continuing operation and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

3.12 Provisions, Contingent Liabilities and Contingent Assets:

Provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made.

A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are renewed at each balance sheet date.

3.13 Cash and Cash Equivalents

Cash and cash equivalent comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.14 Leases

The determination of whether an arrangement is [or contains] a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

- A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.
- Lease other than finance lease are operating lease and these leased assets are not recognized in the company's statement of financial position but are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The Company is both a lessee and a lessor under such arrangements. Payments and receipts under such leases are charged or credited to the Statement of Profit and Loss on a straight-line basis over the primary period of the lease unless another systematic basis is more representative of the time pattern of the user's benefit.

3.15 Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

3.16 Operating Cycle

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

4 PROPERTY, PLANT AND EQUIPMENT

Particulars	Factory Building / Leasehold Improvements	Plant & Machinery	Electrical installation	Office Equipment	Furniture & Fixtures	Vehicles	Computer	Total
Cost:								
As at 31st March, 2021	95.57	876.46	51.12	9.09	22.02	9.58	19.66	1,083.49
Additions	-	0.79	1.14	0.18	0.12	-	0.22	2.45
Revaluation adjustment	-	-	-	-	-	-	-	-
Disposals / transfers	-	-	-	-	-	-	-	-
As at 31st March, 2022	95.57	877.25	52.26	9.27	22.14	9.58	19.88	1,085.95
Additions	-	0.18	0.53	-	-	-	1.31	2.03
Disposals / transfers	-	-	-	-	-	-	-	-
As at 31st March, 2023	95.57	877.43	52.80	9.27	22.14	9.58	21.19	1,087.98
Accumulated depreciation:								
As at 31st March, 2021	94.56	842.29	45.71	9.09	20.48	9.58	19.55	1,041.26
Depreciation charged during the year	0.21	6.47	1.24	0.03	0.41	-	0.25	8.61
Revaluation Adjustment	-	-	-	-	-	-	-	-
Disposals / transfers	-	-	-	-	-	-	0.03	0.03
As at 31st March, 2022	94.77	848.76	46.95	9.12	20.89	9.58	19.76	1,049.84
Depreciation charged during the year	0.16	4.12	1.32	0.04	0.41	-	0.31	6.34
Disposals / transfers	-	-	-	-	-	-	-	-
As at 31st March, 2023	94.93	852.87	48.27	9.16	21.30	9.58	20.07	1,056.18
Net book value								
As at 31st March, 2022	0.80	28.50	5.31	0.15	1.25	-	0.11	36.12
As at 31st March, 2023	0.64	24.56	4.53	0.11	0.84	-	1.12	31.80

INTANGIBLE ASSETS :

Particulars	Software	Total
Cost:		
As at 31st March, 2021	9.48	9.48
Additions	-	-
Revaluation of Assets*	-	-
Revaluation adjustment	-	-
Disposals / transfers	-	-
As at 31st March, 2022	9.48	9.48
Additions	0.90	0.90
Disposals / transfers	-	-
As at 31st March, 2023	10.38	10.38
Accumulated Amortised Value		
As at 31st March, 2021	9.48	9.48
Amortization charged during the year	0.02	0.02
Revaluation Adjustment	-	-
Disposals / transfers	0.02	0.02
As at 31st March, 2022	9.48	9.48
Amortization charged during the year	0.10	0.10
Disposals / transfers	-	-
As at 31st March, 2023	9.57	9.57
Net book value		
As at 31st March, 2022	-	-
As at 31st March, 2023	0.80	0.80

Note:- Title deeds of all the immovable properties are held in the name of the company.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**

Particulars	(₹in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
5. NON - CURRENT FINANCIAL ASSETS - OTHERS		
Unsecured, considered good, unless otherwise stated		
Security deposits	15.26	14.49
Gratuity Trust Account	8.55	43.22
TOTAL	23.80	57.71
6. NON - CURRENT ASSETS - OTHERS		
Advance income tax/TDS (net of provision for taxation)	21.52	22.18
TOTAL	21.52	22.18
7. INVENTORIES		
(valued at lower of cost and net realizable value)		
Raw materials	357.00	305.26
Stores and spares	23.96	24.15
Work in process	55.37	251.74
Finished goods	8.31	17.48
TOTAL	444.63	598.64
- As per inventory taken and valued by the Management		
8. TRADE RECEIVABLES		
Unsecured		
Considered good		
More than Six months	-	-
Others	502.09	399.07
TOTAL	502.09	399.07

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**

Trade receivables ageing schedule for the year ended as on March 31, 2023 and March 31, 2022:

Particulars	(₹in Lakhs)					Total
	Upto 6 months	6 Months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Undisputed Trade receivables						
– considered good						
As at 31st March, 2023	317.71	31.63	-	-	152.75	502.09
As at 31st March, 2022	244.82	-	77.77	76.48	-	399.07
– considered doubtful						
As at 31st March, 2023	-	-	-	-	-	-
As at 31st March, 2022	-	-	-	-	-	-
Disputed Trade receivables						
– considered good						
As at 31st March, 2023	-	-	-	-	-	-
As at 31st March, 2022	-	-	-	-	-	-
– considered doubtful						
As at 31st March, 2023	-	-	-	-	-	-
As at 31st March, 2022	-	-	-	-	-	-
Total Trade Receivables as at 31st March, 2023	317.71	31.63	-	-	152.75	502.09
Total Trade Receivables as at 31st March, 2022	244.82	-	77.77	76.48	-	399.07

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**

Particulars	(₹in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
9. CASH AND CASH EQUIVALENTS		
Balances with banks		
In current accounts	5.05	0.40
Cash in hand	0.38	0.34
	<u>5.43</u>	<u>0.74</u>
Fixed Deposits	0.50	7.25
TOTAL	<u>5.93</u>	<u>7.99</u>
10. CURRENT FINANCIAL ASSETS - OTHERS		
Advances recoverable in cash or kind	1.92	1.26
Interest Accrued on Deposits	-	-
TOTAL	<u>1.92</u>	<u>1.26</u>
11. CURRENT ASSETS - OTHERS		
Unsecured, considered good, unless otherwise stated		
Prepaid expenses	11.34	11.23
TOTAL	<u>11.34</u>	<u>11.23</u>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**

Particulars	(₹in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
12. SHARE CAPITAL		
Authorized:		
50,000,000 Equity Shares of ₹10 each	500.00	500.00
(50,000,000 Equity Shares of ₹10 each as on 31st March, 2022)		
Issued, Subscribed and paid-up:		
24,50,000 Equity Shares of ₹10 each fully paid up	245.00	245.00
(24,50,000 Equity Shares of ₹10 each fully paid up as on 31st March, 2022)		

Notes:

- (a) **Reconciliation of the number of shares outstanding at the beginning at the end of the year:**

Particulars	(₹in Lakhs)			
	As at 31st March 2023		As at 31st March 2022	
	No. of Shares (in Lakhs)	₹(Lakhs)	No. of Shares (in Lakhs)	₹(Lakhs)
(1) Equity Shares				
Balance at the beginning of the year	24.50	245.00	24.50	245.00
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Balance at the end of the year	24.50	245.00	24.50	245.00

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**
(b) Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. For the year ended 31st March, 2023, the amount of per share dividend proposed as distribution to equity shareholders is Nil (31st March, 2022: ₹ Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5 % shares in the Company

Particulars	As at 31st March 2023		As at 31st March 2022	
	No. of Shares (in Lakhs)	% Holding	No. of Shares (in Lakhs)	% Holding
Equity Shares of ₹10 each fully paid up				
Gunther America Inc.	15.00	61.00	15.00	61.00

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(d) Details of Promoter shareholding as on 31.03.2023

Particulars	No. of shares as on 31.03.2023		No. of shares as on 31.03.2022	
	% of total shares	% of total shares	% of total shares	% of total shares
Promotor group entity				
Gunther America Inc.	15.00	61.22%	15.00	61.22%

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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Particulars	(₹in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
13. OTHER EQUITY		
Capital Reserve		
Opening balance	35.00	35.00
Additions during the financial year	-	-
Deductions during the financial year	-	-
Closing balance	<u>35.00</u>	<u>35.00</u>
Surplus in Statement of Profit and Loss		
Opening balance	(1,409.98)	(749.14)
Profit / (loss) during the year	1,133.62	(660.84)
Closing balance	<u>(276.36)</u>	<u>(1,409.98)</u>
Other Comprehensive Income		
Opening balance	-	-
Other Comprehensive income/(loss) for the year	(237.04)	-
Closing balance	<u>(237.04)</u>	<u>-</u>
Total of other equity - as at 31st March, 2023 & as at 31st March, 2022	<u>(478.40)</u>	<u>(1,374.98)</u>
14. FINANCIAL LIABILITIES		
Provision for employee benefit		
Gratuity	98.18	98.18
Zero Coupon Preference Shares	98.18	98.18

Notes:

- a. Switching Technologies Gunther Limited (Company) had issued 98,178 (Ninety Eight Thousand One Hundred and Seventy Eight only) Zero Coupon Redeemable Preference Shares (Preference Shares) of ₹ 100/- (Rupees One Hundred only) each totalling to 98,17,800/- (Ninety Eight Lakh Seventeen Thousand and Eight Hundred only) on 14/02/2009 redeemable at par after the expiry of 5 (five) years from the date of allotment.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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- b. Reserve Bank of India (RBI) had given permission for extension of redemption of 98,178 (Ninety Eight Thousand One Hundred and Seventy Eight only) Preference Shares of ₹ 100/- (Rupees One Hundred only) each allotted to M/s.Gunther America Inc., having its registered office at 454 Allwood Road Clifton, N.J.07012 USA (Preference Shareholder) for 7 (seven) years from 14/02/2014 vide its letter No.CHE:FED:FID/7630/25.19.319/2013-14 dated 19/05/2014.
- c. The Company had again applied for extension of redemption of Preference Shares for a further period of 7 (seven) years vide its letter dated 23/01/2021 which was rejected by RBI vide its letter dt.26/02/2021, however it has granted permission to the company to convert the zero coupon redeemable preference shares (RPS) into equity shares and that the conversion shall be subject to complying with the pricing guidelines, reporting requirements and other attendant conditionalities, if any, under Non-Debt Instruments Rules, 2019. In this context, the company had passed a special resolution in its Annual General Meeting held on 21st September, 2021 to convert the RPS into Equity Shares of the Company, however as on date the conversion is not materialised yet.

Particulars	(₹in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
15. NON - CURRENT PROVISIONS		
Provision for employee benefit		
Gratuity	356.87	177.36
Leave Encashment	15.87	16.88
Provision for Ex-Gratia	52.22	77.66
	424.96	271.89
16. DEFERRED TAX LIABILITY		
Provision for deferred Tax	-	-
	-	-

Note: The profitability during FY 2022-23 is on account of write back of exceptional items only (as detailed in Note - 28) and hence in the absence of certainty regarding sufficient future taxable income, the Deferred Tax Asset on timing differences including the unabsorbed depreciation have not been recognized as per IndAS12 "Income Taxes". Moreover, the Deferred Tax Liabilities, to the extent of the value of Deferred Tax Asset which have not been recognized on account of inability to meet the recognition criteria as per the said IndAS, have also not been recognized.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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17. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

Due to micro and small enterprises

Due to other than micro and small enterprises	657.33	1,850.09
	657.33	1,850.09

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act”) is as under:

DISCLOSURE UNDER MSMED ACT, 2006

Particulars	(₹in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
(a) Principal amount due to suppliers under MSMED Act, 2006	-	-
(b) Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	-	-
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(d) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(e) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(f) Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
(g) Interest accrued and remaining unpaid at the end of each of the year to suppliers	-	-

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the company.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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Trade payables ageing schedule for the year ended as on March 31, 2023 and March 31, 2022:

(₹in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Undisputed Trade Payables – MSME					
As at 31st March, 2023	-	-	-	-	-
As at 31st March, 2022	-	-	-	-	-
Undisputed Trade payables – Others					
As at 31st March, 2023	485.70	14.02	1.80	155.80	657.33
As at 31st March, 2022	806.28	548.38	330.37	165.06	1,850.09
Disputed Trade payables – MSME					
As at 31st March, 2023	-	-	-	-	-
As at 31st March, 2022	-	-	-	-	-
Disputed Trade payables – Others					
As at 31st March, 2023	-	-	-	-	-
As at 31st March, 2022	-	-	-	-	-
Total Trade payables as at 31st March, 2023	485.70	14.02	1.80	155.80	657.33
Total Trade payables as at 31st March, 2022	806.28	548.38	330.37	165.06	1,850.09

(₹in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
18. CURRENT - OTHER FINANCIAL LIABILITIES		
Employee Dues	28.70	26.48
	28.70	26.48

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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Particulars	(₹in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
19. OTHER CURRENT LIABILITIES		
Statutory liabilities	6.63	6.44
Other liabilities	1.45	0.56
	8.08	7.00
20. SHORT TERM PROVISIONS		
Provision for employee benefit		
Gratuity	52.13	-
Leave Encashment	2.65	1.65
Provision for Bonus	5.21	8.89
	60.00	10.54

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**

Particulars	(₹in Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
21. REVENUE FROM OPERATIONS		
Sale of Goods	1,152.43	1,061.48
	1,152.43	1,061.48
22. OTHER INCOME		
Exchange Fluctuation Gain (net)	-	42.83
Other Income		
Liability written back	-	1.38
Interest Income	0.61	0.40
	0.61	44.60
23. CONSUMPTION OF MATERIALS		
Raw materials and components		
Opening Stock	305.26	351.26
Add : Purchases	1,084.53	928.59
	1,389.79	1,279.86
Closing Stock	357.00	305.26
	1,032.79	974.60
Stores and spare parts		
Opening Stock	24.15	23.39
Add : Purchases	14.54	9.80
	38.69	33.19
Closing Stock	23.96	24.15
	14.73	9.03
	1,047.52	983.63

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(₹in Lakhs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
24. CHANGES IN INVENTORIES AND FINISHED GOODS AND STOCK-IN-PROCESS		
Opening Inventories		
Work in process	251.74	321.88
Finished goods	<u>17.48</u>	<u>22.79</u>
	269.22	344.67
Closing Inventories		
Work in process	55.37	251.74
Finished goods	<u>8.31</u>	<u>17.48</u>
TOTAL	<u>205.54</u>	<u>75.45</u>

(₹in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
25. EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	403.86	410.15
Contribution to provident and other funds	37.43	38.04
Leave Encashment	7.68	6.67
Gratuity	28.42	12.03
Staff welfare expense	<u>46.85</u>	<u>42.65</u>
	<u>524.24</u>	<u>509.54</u>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**

Particulars	(₹in Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
26. OTHER EXPENSES		
OPERATING, ADMINISTRATION AND GENERAL EXPENSES		
Power and Fuel	64.59	54.93
Job Work Charges	24.25	2.13
Repairs and Maintenance	12.36	2.85
Water Charges	0.00	0.00
Freight charges	59.30	45.25
Clearing & Forwarding	4.79	3.82
Professional Fees	57.14	16.75
Rent	15.67	16.55
Insurance	2.00	1.76
Rates and taxes	9.90	12.30
Travelling and conveyance	1.58	2.71
Postage and telephones	1.32	1.29
Printing and stationery	2.38	1.24
Exchange Fluctuation Loss (net)	90.11	0.04
Bank charges	1.11	0.21
Security Charges	33.56	26.83
Sitting Fees	2.80	2.00
Miscellaneous expenses	4.86	3.72
	387.74	194.37

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**

Particulars	(₹in Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
26.1 PAYMENT TO AUDITORS		
Statutory Audit and Tax Audit Fees	1.20	1.20
Internal Audit	0.36	0.36
Professional Charges	0.36	0.38
Out of Pocket Expenses	0.08	0.00
	2.00	1.94
27. EARNINGS PER EQUITY SHARE		
Profit/(loss) available for equity shareholders (in Lakhs)	1,133.62	(660.84)
Weighted average numbers of equity shares outstanding (in Lakhs)	24.50	24.50
Nominal value per equity share (in Rupees per share)	10	10
Earnings /(loss) Per Equity Share- Basic and Diluted (in Rupees per share)	46.27	(26.97)
28. EXCEPTIONAL ITEMS		
Write back off payables	2152.05	-
	2,152.05	-

Note: Exceptional items represents write back of credit balances in respect of purchase of raw materials, consumables etc payable to Group Companies amounting to INR 2,152.05 Lakhs. The write back has been approved by the Board in its meeting dated May 29, 2023 and is in the process of intimation to the AD Bank as per prevailing regulations as applicable. Further, the Management confirms that no interest / penal charge is being made by the Group Company on account of such write back.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**

Particulars	(₹in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
29. CONTINGENT LIABILITIES AND COMMITMENTS		
(a) Outstanding demands of TDS as per TRACES Portal	0.06	0.06
(b) Outstanding income tax demand for AY 2012-13	10.94	10.94
(c) Outstanding income tax demand interest for AY 2012-13	16.22	16.22
(d) Outstanding income tax demand for AY 2014-15	0.29	0.29
(e) Outstanding income tax demand interest for AY 2014-15	0.15	0.15

Notes:

1. It is not practicable to estimate the timing of cash outflows, if any, in respect of matters stated above, pending resolution of the proceedings.

COMMITMENTS

There are no outstanding commitments as at March 31, 2023 (Previous Year: Nil)

30. SEGMENT REPORTING

The Company operates only in one reportable segment, i.e. manufacturing of switching devices. Hence, no separate segment reporting is applicable.

**31. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19
EMPLOYEE BENEFITS**

The Company has classified the various benefits provided to employees as under:-

(a) Defined contribution plans

- Provident fund & Employee State Insurance

The Company has recognized the following amounts in the statement of profit and loss:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Employers' contribution to provident fund & Employee State Insurance:- Current Year ₹ 37,43,039 (Previous Year ₹38,03,995) .

(b) Defined benefit plans

- Gratuity
- Compensated absences - Earned leave

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

Economic Assumptions

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits/obligations works out to zero years. For the current valuation a discount rate of 7.00% p.a. (Previous Year 7.00% p.a.) compound has been used.

Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**

The assumptions used are summarized in the following table:

Particulars	Gratuity (Funded)		Compensated Absences Earned Leave (Unfunded)	
	As at	As at	As at	As at
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Discount rate(per annum)	7.28%	7.00%	7.28%	6.59%
Future salary increase (per annum)	7.50%	5.00%	7.50%	7.50%
Expected rate of return on plan assets (per annum)	NA	NA	NA	NA
Rate of exit due to reasons other than death or retirement (per annum)	5%	1% to 3%	5.00%	5.00%
Mortality Rates	IAL (2012-14) Ult.	As per LIC (2006-08) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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Particulars	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	As at	As at	As at	As at
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Change in present value of the defined benefit obligation during the year				
Present value of obligation as at the beginning of the year	177.36	122.10	18.32	20.66
Adjustments	-	67.93	-	-
Interest Cost	12.91		1.21	1.24
Current Service Cost	15.51	12.03	0.83	0.56
Benefits Paid	(33.81)	(24.71)	(1.46)	(2.02)
Actuarial (Gain) / Loss	237.04	-	(0.58)	(2.12)
Other Adjustments			0.20	-
Amount deposited in Gratuity Fund	-	-	-	-
Present value of obligation as at the end of the year	409.00	177.36	18.52	18.32
Change in fair value of plan assets during the year				
Fair Value of plan assets at the beginning of the year	NA	NA	-	-
Interest Income	NA	NA	-	-
Contributions by the employer	NA	NA	-	-
Benefits paid	NA	NA	-	-
Return on plan assets	NA	NA	-	-
Fair Value of plan assets at the end of the year	NA	NA	-	-

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**

Particulars	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	As at	As at	As at	As at
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Net Asset/ (Liability) recorded in the Balance Sheet				
Present value of obligation as at the end of the year	409.00	177.36	18.52	18.32
Net Asset/ (Liability)-Current	52.13	NA*	2.65	1.65
Net Asset/ (Liability)-Non-Current	356.87	177.36	15.87	16.67
Expenses recorded in the Statement of Profit & Loss during the year				
Interest Cost	12.91	-	1.21	1.24
Current & Past Service Cost	15.51	12.03	0.83	0.56
Actuarial (Gain) / Loss	237.04	-	(0.58)	(2.12)
Total expenses included in employee benefit expenses	265.46	12.03	1.46	(0.32)

* The report from LIC for the fund and expected contribution statement does not contain bifurcation of the liability into current / non-current.

32. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Companies Act 2013, the threshold limit for applicability of CSR to a Company is (a) net worth of the company is ₹500 crore or more; or (b) turnover of the company is ₹1000 crore or more; or (c) net profit of the company is ₹5 crore or more. In this context, as the Company does not fall under any of the threshold limits the company is not required to spend any amount on CSR activities for Financial Year 2022-23.

Hence, the gross amount required to be spent by the Company during the year: ₹NIL (Previous year - ₹NIL).

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**

Particulars	(₹in Lakhs)	
	Year ended	Year ended
	March 31, 2023	March 31, 2022
33. EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY		
(I) Expenditure in Foreign Currency		
Raw Materials & Components	942.66	818.46
Spares	1.36	0.50
Other Expenditure	-	-
(II) Earning in Foreign Currency		
FOB Value of Exports	1,151.49	1,061.23

34. DERIVATIVE INSTRUMENTS

The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31st March, 2023 and 31st March, 2022 are as under:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Foreign Currency (in Lakhs)	(₹in Lakhs)	Foreign Currency (in Lakhs)	(₹in Lakhs)
Receivables				
Export Receivables				
(in USD)	0.85	69.55	0.83	62.81
(in Euro)	0.21	19.18	-	-
(in GBP)	2.87	292.37	2.24	222.94
Payables				
Trade payables				
(in USD)	0.73	59.75	1.94	147
(in Euro)	2.80	251.45	17.67	1,495
(in GBP)	0.67	66.65	0.08	6.95

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**

35. RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24

(a) Related Parties

- Holding Company Gunther America Inc.
- Fellow Subsidiaries with common Parent Comus International, USA
Comus International, BVBA
Comus Europe Limited
Comus Tech BVBA
Comus Electronics & Technologies India Private Limited
- Key Management Personnel
 - Mr. P Ramesh (retired w.e.f. May 05, 2022)
Managing Director
 - Mr. A J Muthiah (resigned w.e.f. August 14, 2021)
Director & Production Manager
 - Mr K Mani (appointed w.e.f August 14, 2021)
Executive Director
 - Mr. S Ramesh
Company Secretary
 - Mr C. Chandrachudan (CFO till May 24, 2022)
Managing Director (w.e.f May 25, 2022)
 - Ms T Nirmala (Appointed w.e.f May 25, 2022)
Chief Financial Officer
 - Ms. Gayathri M N
Independent Director
 - Mr. Kanthimathinathan Chocalingam
Independent Director

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Particulars	(₹ in Lakhs)					
	Fellow Subsidiaries with common Parent		Key Management Personnel		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
(b) Transactions with related parties:						
Sale of Goods	1,151.49	610.34	-	-	1,151.49	610.34
Purchase of raw materials	949.55	861.29	-	-	949.55	861.29
Purchase of capital goods	-	1.57	-	-	-	1.57
Managerial Remuneration	-	-	24.88	23.58	24.88	23.58
Payments Made / Expenses incurred on behalf of Company by Related Party	88.83	36.70	-	-	88.83	36.70
Director's Sitting fees	-	-	2.80	2.00	2.80	2.00
	2,189.86	1,509.90	27.68	25.58	2,217.54	1,535.48

Balance Outstanding	Payable		Receivable	
	As at	As at	As at	As at
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Fellow Subsidiaries with common Parent	523.62	1,826.86	533.85	430.19
Key Management Personnel	1.01	1.35	-	-
Total	524.63	1,828.21	533.85	430.19

Note:

- (i) The above related party transactions have been reviewed periodically by the Board of Directors of the Company vis-à-vis the applicable provisions of the Companies Act, 2013, and justification of the rates being charged/ terms thereof and approved the same.
- (ii) The above transactions excludes changes due to exchange rate fluctuation.
- (iii) These include Provident Fund paid / payable by the employer.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(c) Disclosure in respect of related party-wise transactions during the financial year

(₹in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of Goods		
Comus International USA	853.27	448.22
Comus International BVBA	-	-
Comus Europe Limited	298.21	162.12
Purchase of Raw Materials		
Comus International USA	882.92	854.45
Comus International BVBA	1.56	1.20
Comus Europe Limited	65.07	5.37
Comus Electronics & Technologies India Private Limited	-	0.27
Purchase of Capital Goods		
Comus Electronics & Technologies India Private Limited	-	1.57
Managerial Remuneration		
Mr. P Ramesh	0.89	8.87
Mr. A J Muthiah	6.05	-
Mr. S Ramesh	6.73	6.47
Mr C. Chandrachudan	6.44	4.56
Ms Nirmala	4.76	3.67
Payments Made / Expenses incurred on behalf of Company by Related Party		
Comus International USA	88.83	36.70
Director's Sitting fees		
Ms. Gayathri M N	1.40	1.00
Mr. Kanthimathinathan Chocalingam	1.40	1.00

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**

(d) Balance Outstanding

(₹in Lakhs)

Particulars	Payable		Receivable	
	As at	As at	As at	As at
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Comus International USA	302.63	1,654.44	88.72	62.81
Comus International BVBA	5.83	5.51	-	-
Comus Europe Limited	66.65	6.95	292.37	213.1
Comus Technology BVBA	2.75	1.20	-	-
Comus Electronics & Technologies India Private Limited	145.76	158.76	152.75	154.25
Mr. P Ramesh	-	0.58	-	-
Mr. S Ramesh	0.51	0.46	-	-
Mr C. Chandrachudan	0.50	0.31	-	-
Mr K. Manoharan	0.41	-	-	-
Ms T. Nirmala	0.36	0.24	-	-

36. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

I. Figures as at March 31, 2023

Financial Instrument	Carrying Amount				Fair value				
	FVTPL	FVOCI	Total Fair Value	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Assets									
Financial Assets									
(i) Others	-	-	-	23.80	23.80	-	-	-	-
Current Assets									
Financial Assets									
(i) Trade Receivables	-	-	-	502.09	502.09	-	-	-	-
(ii) Cash and Cash Equivalents	-	-	-	5.93	5.93	-	-	-	-
(iii) Others	-	-	-	1.92	1.92	-	-	-	-
	-	-	-	533.74	533.74	-	-	-	-
Non Current Liabilities									
Financial Liabilities									
	-	-	-	98.18	98.18	-	-	-	-
Current Liabilities									
Financial Liabilities									
(i) Trade Payables	-	-	-	657.33	657.33	-	-	-	-
(ii) Other Financial Liabilities	-	-	-	28.70	28.70	-	-	-	-
	-	-	-	784.20	784.20	-	-	-	-

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**

II. Figures as at March 31, 2022

Financial Instrument	Carrying Amount				Fair value				
	FVTPL	FVOCI	Total Fair Value	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Assets									
Financial Assets									
(i) Others	-	-	-	57.71	57.71	-	-	-	-
Current Assets									
Financial Assets									
(i) Trade Receivables	-	-	-	399.07	399.07	-	-	-	-
(ii) Cash and Cash Equivalents	-	-	-	7.99	7.99	-	-	-	-
(iii) Others	-	-	-	1.26	1.26	-	-	-	-
	-	-	-	466.03	466.03	-	-	-	-
Non Current Liabilities									
Financial Liabilities									
	-	-	-	98.18	98.18	-	-	-	-
Current Liabilities									
Financial Liabilities									
(i) Trade Payables	-	-	-	1,850.09	1,850.09	-	-	-	-
(ii) Other Financial Liabilities	-	-	-	26.48	26.48	-	-	-	-
	-	-	-	1,974.75	1,974.75	-	-	-	-

Note: During the reporting period ending March 31, 2023 and March 31, 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

37. MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

There are following factors which create material uncertainty related to going concern of the company:

i) Continuous losses & Negative Net Worth

Company has incurred profit due to waive off against raw materials supplied by parent company which results in reduction of accumulated losses are ₹ 478.40 Lakhs as at 31st March, 2023. The company incurred operational losses during the year and reported positive PAT only on account of exceptional income representing write back of import payables as detailed in Note 28. Even post such waive off, the net worth of the company stood at ₹ (-) 233.40 lakhs.

ii) Adverse key financial ratios.

Refer Note 39 - Some key financial ratios of the company are adverse which reflect on the financial health of the company.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The company's financial risk management policy is set by the Managing Board.

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The company is not exposed to any interest rate risk as at the specified reporting date.

Foreign currency risk

The Company operates locally, however, the nature of its operations requires it to transact in several currencies and consequently the Company is exposed to foreign exchange risk in various foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies.

I. Foreign Currency Exposure

Refer Note 34 for foreign currency exposure as at March 31, 2023 and March 31, 2022 respectively.

II. Foreign Currency Sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on the profit before tax

Currency	2022-23		2021-22	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	0.10	(0.10)	(0.84)	0.84
Euro	(2.32)	2.32	(14.95)	14.95
GBP	2.26	(2.26)	2.16	(2.16)
Total	0.03	(0.03)	(13.63)	13.63

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is significant increase in credit risk the company compares the risk of a default occurring on the asset at the reporting date with the risk of default as the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- (i) Actual or expected significant adverse changes in business,
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation,
- (iv) Significant increase in credit risk on other financial instruments of the same counterparty.
- (v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorizes a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**

I. Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)

Particulars	(₹In lakhs)	
	As at 31-03-2023	As at 31-03-2022
Non-current financial assets - Others	23.80	57.71
Current financial assets - Others	1.92	1.26
Total (A)	25.72	58.97

II. Financial assets for which loss allowance is measured using 12 months Life Time Expected Credit Losses (ECL)

Particulars	(₹In lakhs)	
	As at 31-03-2023	As at 31-03-2022
Trade Receivables	502.09	399.07
Total (B)	502.09	399.07
Grand Total (A+B)	527.81	458.04

Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks.

III. The ageing analysis of these receivables (gross of provision) has been considered from the date the invoice falls due

Particulars	(₹In lakhs)	
	As at 31-03-2023	As at 31-03-2022
Up to 3 months	228.50	165.62
3 to 6 months	89.21	79.20
More than 6 months	184.38	154.25
Less: Provision for doubtful debts	-	-
Total	502.09	399.07

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**

IV. Provision for expected credit losses again "II" and "III" above

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of above mentioned financial assets.

Liquidity Risk

Liquidity Risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

I. As at March 31, 2023

Particulars	As at 31-03-2023			Total
	Less than 1 year	1 to 5 years	Above 5 Years	
Non-current financial liabilities - Others	-	98.18	-	98.18
Current financial liabilities - Trade Payables	657.33	-	-	657.33
Current financial liabilities - Others	28.70	-	-	28.70
Total	686.02	98.18	-	784.20

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**

II. As at March 31, 2022

Particulars	As at 31-03-2022			Total
	Less than 1 year	1 to 5 years	Above 5 Years	
Non-current financial liabilities - Others	-	98.18	-	98.18
Current financial liabilities - Trade Payables	1,850.09	-	-	1,850.09
Current financial liabilities - Others	26.48	-	-	26.48
Total	1,876.57	98.18	-	1,974.75

Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Particulars	(₹In lakhs)	
	As at 31-03-2023	As at 31-03-2022
Total Debt*	98.18	98.18
Equity	(233.40)	(1,129.98)
Capital and net debt	(135.22)	(1,031.80)
Gearing ratio	-72.61%	-9.52%

* Zero Coupon Preference Shares have been considered for the same.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**
39. ADDITIONAL REGULATORY INFORMATION
(i) Ratios

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022.

Particulars	Numerator	Denominator	As at 31st March, 2022	As at 31st March, 2021	Variance	Remarks
Current Ratio	Current assets	Current liabilities	1.28	0.54	58.03%	Trade payable has been decreased & Trade receivables has been increased as compared to last year
Debt – Equity Ratio	Total Debt	Shareholder's Equity	-	-	NA	Not applicable (Zero Coupon Preference Shares are not taken considering the uncertainty connected to its redemption / repayment as detailed in Note 14)
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	-	-	NA	Not applicable (Zero Coupon Preference Shares are not taken considering the uncertainty connected to its redemption / repayment as detailed in Note 14)
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	4.63	(2.70)	158.29%	On account of consistent losses and Negative Networth situation, only capital portion considered for the purpose of arriving at shareholder's equity. Ratio has improved due to exceptional items and does not depict any improvement in financial performance.
Inventory Turnover Ratio	Sales	Average Inventory	0.55	0.40	27.09%	Due to increased average inventory & sales
Trade receivables turnover ratio	Revenue	Average Trade Receivable	2.56	3.06	-19.52%	Due to increased average Trade receivable & sales
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	1.31	0.80	38.80%	Due to decreased trade payables
Net capital turnover ratio	Revenue	Working Capital	5.44	(1.21)	122.27%	Due to Exceptional Items
Net profit ratio	Net Profit	Revenue	0.78	(0.62)	180.02%	Due to Exceptional Items
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	3.91	0.88	77.62%	Due to profit
Return on Investment(ROI)	Income generated from investments	Time weighted average investments	-	-	0.00%	There are no investments made by the Company



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

40. PREVIOUS YEAR FIGURES

Figures of the earlier year have been regrouped or reclassified to confirm to Ind AS presentation requirements.

The accompanying notes are integral part of the financial statements

As per our report of even date attached
For V V KALE & CO.
Chartered Accountants
Firm Registration No. 000897N

For and on behalf of the Board

VIJAY V. KALE
Partner
Membership Number: 080821
UDIN: 23080821BGUWRM3575

C. CHANDRACHUDAN
Managing Director
DIN : 0009312268

K. MANOHARAN
Executive Director
DIN : 0009615102

S. RAMESH
Company Secretary
PAN : AEMPR9361K

Mrs.T.NIRMALA
CFO
PAN : AMTPN4989Q

Place : New Delhi
Date: May 29, 2023