



**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

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Ref: STG/MSE/ 66 /18  
Date: June 16, 2018

Email: stgindia@stg-india.com  
CIN: L29142TN1988PLC015647

/Thro' Online BSE Listing Centre/

The Manager,  
Department of Corporate Services  
Mumbai Stock exchange  
Floor 25, PJ Towers, Dalal Street  
Mumbai 400001

Sir,

Dear Sir / Madam

**Filing of Audited Financial Results for the year ended 31.03.2018 - (Reg. 33  
(3) SEBI (LODR) Regulations, 2015) regarding**

Further to our letter No. STG/MSE/ 27 /18 and email dated 30.05.2018, enclosing the audited financial results for the financial year ended 31<sup>st</sup> March 2018, we are now forwarding herewith the following for your records:

- a) The copy of the duly signed audited results for the financial year ended 31.03.2018 as Annexure I and
- b) The copy of the Independent Auditor's Report for the year ended 31.03.2018 as Annexure II.
- c) Form -A duly signed

Thanking you,

Yours faithfully,  
For SWITCHING TECHNOLOGIES GUNTHER LTD.

  
(P. RAMESH)  
COMPLIANCE OFFICER

Encl: as above

**SWITCHING TECHNOLOGIES GUNTHER LIMITED**

Regd. Office : B9 & B10, Special Economic Zone , MEPZ

Tambaram, Chennai 600 045.

CIN: L29142TN1988PLC015647

Email\_id : stgindia@stg-india.com

Annexure-I 1/7

Statement of Audited Financial Results for the Quarter and Year Ended March 31, 2018							(Rs. In Lacs)
Sl.No	PARTICULARS	Quarter Ended			Year Ended		
		31.03.2018 (Audited)	31.12.2017 (Unaudited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)	
	Income						
I	Revenue from Operation	404.14	410.49	335.88	1,478.96	1,562.64	
II	Other Income	81.60	0.26	11.59	83.83	29.82	
III	<b>Total Revenue (I+II)</b>	<b>485.74</b>	<b>410.75</b>	<b>347.47</b>	<b>1,562.29</b>	<b>1,592.46</b>	
IV	Expenses :						
	(a) Cost of Material Consumed	207.72	192.68	169.50	782.02	828.55	
	(b) Purchase of Stock in Trade	-	-	-	-	-	
	(c) Changes in Inventories of Finished goods, WIP & Stock in trade	(21.31)	8.49	(27.49)	(58.60)	(19.64)	
	(d) Employees benefits expenses	139.57	132.80	153.06	546.61	568.10	
	(e) Finance Cost	-	-	-	-	-	
	(f) Depreciation and amortisation expenses	3.47	3.44	3.83	13.73	15.37	
	(g) Other Expenses	87.90	62.38	57.66	286.49	249.86	
	<b>Total Expenses</b>	<b>417.35</b>	<b>399.79</b>	<b>366.56</b>	<b>1,570.25</b>	<b>1,642.24</b>	
V	<b>Profit before Exceptional Items and tax(III-IV)</b>	<b>68.39</b>	<b>10.96</b>	<b>(9.09)</b>	<b>(7.96)</b>	<b>(49.78)</b>	
VI	Exceptional Items	-	-	-	-	-	
VII	<b>Profit before tax(V-VI)</b>	<b>68.39</b>	<b>10.96</b>	<b>(9.09)</b>	<b>(7.96)</b>	<b>(49.78)</b>	
VIII	Tax Expenses :	-	-	-	-	-	
IX	<b>Profit/(Loss) for the period from continuing operations (VII-VIII)</b>	<b>68.39</b>	<b>10.96</b>	<b>(9.09)</b>	<b>(7.96)</b>	<b>(49.78)</b>	

Statement of Audited Financial Results for the Quarter and Year Ended March 31, 2018						
Sl.No	PARTICULARS	Quarter Ended			Year Ended	
		31.03.2018 (Audited)	31.12.2017 (Unaudited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
X	Profit/(Loss) from discontinuing operations	-	-	-	-	-
XI	Tax expenses of discontinuing operations	-	-	-	-	-
XII	Profit/(Loss) from discontinuing operations (after tax) (X-XI)	-	-	-	-	-
XIII	Net Profit/(Loss) for the period (XI+XII)	68.39	10.96	(9.09)	(7.96)	(49.78)
	<b>Other Comprehensive Income</b>					
	(a) Items that will not be reclassified to Profit or Loss	-	-	-	-	-
	Less: Income Tax relating to items that will not be reclassified to Profit or Loss	-	-	-	-	-
	(b) Items that will be reclassified to Profit or Loss	-	-	-	-	-
	Less: Income Tax relating to items that will be reclassified to Profit or Loss	-	-	-	-	-
XIV	Total-Other Comprehensive Income	-	-	-	-	-
XV	Total Comprehensive Income for the Period (XIII+XIV) comprising Profit/(Loss) and other Comprehensive Income for the period	68.39	10.96	(9.09)	(7.96)	(49.78)
	Equity Share Capital (Face Value of Rs.10/- each)	245.000	245.000	245.000	245.000	245.000
	Reserves (excluding Revaluation reserves) as shown in the Audited Balance Sheet of the Previous Year	(193.39)	(193.39)	(143.61)	(193.39)	(143.61)
XVI	Earning per equity share (For continuing operation):					
	1) Basic	2.79	0.45	(0.37)	(0.32)	(2.03)
	2) Diluted	2.79	0.45	(0.37)	(0.32)	(2.03)

Statement of Audited Financial Results for the Quarter and Year Ended March 31, 2018						
Sl.No	PARTICULARS	Quarter Ended		Year Ended		
		31.03.2018 (Audited)	31.12.2017 (Unaudited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
XVII	Earning per equity share:(For Discontinued operation):					
	1)Basic	-	-	-	-	-
	2)Diluted	-	-	-	-	-
XVIII	Earning per equity share (For continuing & discontinued operation):					
	1)Basic	2.79	0.45	(0.37)	(0.32)	(2.03)
	2)Diluted	2.79	0.45	(0.37)	(0.32)	(2.03)

Note : 1. The above audited results were approved and taken on record by Board of the Directors at the meeting held on 29.05.2018  
 2. Previous period / year figures have been regrouped and /or re arranged ,wherever necessary.  
 3. The Company operates in only one segment - Reed Switches.  
 4. The above is an extract of the detailed format of Quarterly and Yearly Financial Results filed with the stock Exchange under Regulation 38 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015.  
 The full format of the Quarterly / Annual Financial Results are available on the Stock Exchange websites.  
 (www.bseindia.com)

Place: New Jersey, USA  
 Date : 29.05.2018

For Switching Technologies Gunther Limited

R. RAMESH  
 Managing Director

JOHN D. ROLLO  
 Director

**SWITCHING TECHNOLOGIES GUNTHER LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2018**

PARTICULARS	Note	Amount in Lakhs	
		As at 31st March 2018	As at 31st March 2017
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and equipment	1	71.79	79.96
Capital work-in-progress		-	-
Intangible Assets	1	1.16	1.87
Financial Assets		-	-
Non-current Investments		-	-
Long Term Loans and Advances		-	-
Others		-	-
Deferred Tax Assets (Net)		-	-
Other non-current Assets		-	-
<b>Total Non-current Assets</b>		<b>72.96</b>	<b>81.83</b>
<b>Current Assets</b>			
Inventories	2	595.22	472.44
Financial assets		-	-
Current Investments		-	-
Trade Receivables	3	179.83	54.81
Cash and cash equivalents	4	82.33	105.56
Short Term Loans and Advances	5	55.07	75.66
Assets for current tax(net)		-	-
Other Current Assets		-	-
<b>Total Current Assets</b>		<b>912.45</b>	<b>708.47</b>
<b>TOTAL ASSETS</b>		<b>985.40</b>	<b>790.30</b>
<b>EQUITIES AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	6	245.00	245.00
Other Equity	7	(201.35)	(193.39)
<b>TOTAL EQUITY</b>		<b>43.65</b>	<b>51.61</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Preference Shares		98.18	98.18
Long Term Borrowings		-	-
Other Financial Liabilities		-	-
Long - term provisions		-	-
Deferred Tax Liability (Net)		1.18	1.18
Other non-current liabilities		-	-
<b>Total Non-current liabilities</b>		<b>99.35</b>	<b>99.35</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Short Term Borrowings		-	-
Trade Payables	8	591.34	353.20
Other financial liabilities		-	-
Other current Liabilities	9	212.49	243.16
Short Term Provisions	10	38.57	42.98
Liabilities for current tax(net)		-	-
<b>Total Current liabilities</b>		<b>842.40</b>	<b>639.34</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>985.40</b>	<b>790.30</b>

As Per our Report of even date attached

M.L.Srinivasan &amp; Associates

Chartered Accountants

Firm Reg No. 0065055

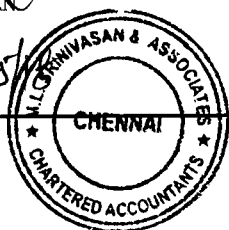
M.L.SRINIVASAN

Partner

M No. 203154

Date : 31/05/18

Place: Chennai

ROBERT P. ROMANO  
DirectorMary Patricia Galasso  
Director

Date: 29.05.2018

Place: New Jersey, USA

For and on behalf of the Board of Directors

JOHN D. ROLLO  
ChairmanRAMESH  
Managing DirectorA. JAYAGANESAN MUTHIAH  
Director

## SWITCHING TECHNOLOGIES GUNTHER LIMITED

## Statement of Profit and Loss for the Year ended 31st March, 2018

	Note	(Amount in Rupees)	
		As at 31st March 2018	As at 31st March 2017
Revenue from Operations	11	147,896,214	156,263,588
Other Income	12	8,332,770	2,982,423
<b>Total Revenue</b>		<b>156,228,984</b>	<b>159,246,011</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	13	78,202,252	82,854,804
Purchase of Stock in Trade		-	-
Changes in Inventories of Finished Goods and Stock-in-Process	14	(5,859,502)	(1,963,882)
Employee Benefit Expense	17	54,660,523	56,809,515
Finance Cost		-	-
Depreciation and amortisation expenses	18	1,372,596	1,536,968
Other Expenses	19	28,649,063	24,986,372
<b>Total Expenses</b>		<b>157,024,932</b>	<b>164,223,776</b>
<b>Profit before Exceptional Items and tax</b>		<b>(795,948)</b>	<b>(4,977,764)</b>
Exceptional Items		-	-
<b>Profit before tax</b>		<b>(795,948)</b>	<b>(4,977,764)</b>
<b>Tax Expenses</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>Profit/(Loss) for the period from continuing operations</b>		<b>(795,948)</b>	<b>(4,977,764)</b>
<b>Profit/(Loss) from discontinuing operations</b>		<b>-</b>	<b>-</b>
Tax expenses of discontinuing operations		-	-
<b>Profit/(Loss) from discontinuing operations (after tax)</b>		<b>-</b>	<b>-</b>
<b>Net Profit/(Loss) for the period</b>		<b>(795,948)</b>	<b>(4,977,764)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Profit or Loss		-	-
Income Tax relating to items that will not be reclassified to Profit or Loss		-	-
Items that will be reclassified to Profit or Loss		-	-
Income Tax relating to items that will be reclassified to Profit or Loss		-	-
<b>Total Comprehensive Income for the period</b>		<b>-</b>	<b>-</b>
<b>Earning per equity share (For continuing operation):</b>			
1) Basic		(0.32)	(2.03)
2) Diluted		(0.32)	(2.03)
<b>Earning per equity share (For Discontinued operation):</b>			
1) Basic		-	-
2) Diluted		-	-
<b>Earning per equity share (For continuing &amp; discontinued operation):</b>			
1) Basic		(0.32)	(2.03)
2) Diluted		(0.32)	(2.03)

See accompanying notes to the financial statements 1 to 19

As Per our Report of even date attached

M.L.Srinivasan &amp; Associates

Chartered Accountants

Firm Reg No. 0065055

M.L.SRINIVASAN

Partner

M.No. 203154

Date: 31-05-2018

Place: Chennai

ROBERT.P.ROMANO

Director

MARY PATRICIA GALASSO

Director

Date: 29.05.2018

Place: New Jersey, USA

For and on behalf of the Board

JOHN D.ROLLO

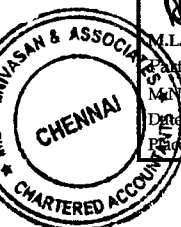
Chairman

A.J.PAGANESAN MUTHIAH

Director

P.K.MESH

Managing Director



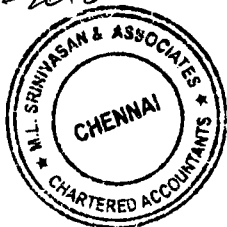
## SWITCHING TECHNOLOGIES GUNTHER LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

	01.04.2017 - 31.03.2018	01.04.2016 - 31.03.2017
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation and exceptional item	(795,948)	(4,977,764)
Adjustments for:		
Depreciation	1,372,596	1,536,968
Profit on sale of fixed assets	-	-
Interest income	(290,283)	(326,413)
	<u>1,082,313</u>	<u>1,210,555</u>
Operating profit before working capital changes	286,365	(3,767,209)
Adjustments for:		
(Increase)/Decrease in sundry debtors	(12,502,707)	3,293,710
(Increase)/Decrease in inventories	(12,278,087)	239,162
(Increase)/ Decrease in loans and advances	2,058,621	(3,257,729)
Increase/(Decrease) in current liabilities and provisions	20,306,671	2,336,639
	<u>(2,415,502)</u>	<u>2,611,782</u>
Cash generated from operations	(2,129,137)	(1,155,427)
Direct Taxes	-	-
<b>A. NET CASH FROM OPERATING ACTIVITIES</b>	<b>(2,129,137)</b>	<b>(1,155,427)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to fixed assets (including capital work in progress and advances)	(484,978)	(718,010)
Proceeds from sale of fixed assets	-	-
Interest received	290,283	326,413
<b>B. NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(194,695)</b>	<b>(391,597)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share application money received	-	-
Repayment of Borrowings	-	-
<b>C. CASH FLOW FROM/ (USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>NET CASH FLOWS DURING THE YEAR (A+B+C)</b>	<b>(2,323,832)</b>	<b>(1,547,024)</b>
Cash and cash equivalents (opening balance)	10,556,496	12,103,521
Cash and cash equivalents (closing balance)	8,232,664	10,556,496

As Per our Report of even date  
For M L Srinivasan & Associates  
Chartered Accountants  
Firm Regn. No. 006505S

M L Srinivasan  
Partner  
Membership No. 203154  
Date : 31-05-2018  
Place: Chennai



For and on behalf of the Board

ROBERT P. ROMANO  
Director

JOHN T. ROLLO  
Chairman

P. RAMESH  
Managing Director

MARY PATRICIA GALASSO  
Director

A. JEYAGANESAN MUTHIAH  
Director

Date : 29.05.2018

Place : New Jersey, USA

**STATEMENT OF CHANGES IN EQUITY**

**A. Equity share capital**

Particulars	Notes	Amount
As at 1st April 2016		24,500,000
Changes in equity share capital		-
AS at 31st March 2017		24,500,000
As at 1st April 2017		24,500,000
Changes in equity share capital		-
AS at 31st March 2018		24,500,000

**B. Other equity**

Particulars	Notes	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			Equity Instruments through other Comprehensive Income	Effective portion of cash flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Total
				Capital Reserves	Securities Premium Reserves	Retained Earnings					
Balance as on 1st April 2016				3,500,000		(17,861,470)					(14,361,470)
Profit for the year						(4,977,764)					(4,977,764)
Other comprehensive incomes											-
Total comprehensive income for the year											-
Issue of equity shares											-
Dividends paid											-
<b>Balance as on 31st March 2017</b>				3,500,000		(22,839,234)					(19,339,234)
Balance as on 1st April 2017				3,500,000		(22,839,234)					(19,339,234)
Profit for the year						(795,948)					(795,948)
Other comprehensive incomes											-
Total comprehensive income for the year											-
Issue of equity shares											-
Dividends paid											-
<b>Balance as on 31st March 2018</b>				3,500,000		(23,635,182)					(20,135,182)

As Per our Report of even date attached

M.L.Srinivasan & Associates

Chartered Accountants

Firm Reg No. 006403S

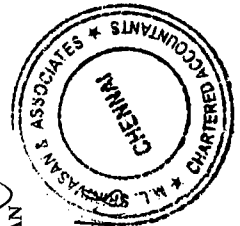
M.L.SRINIVASAN

Partner

M No. 203154

Date : 21/05/2018

Place: Chennai



For and on behalf of the Board

*Robert P. Romano*  
ROBERT P. ROMANO  
Director

JOHN D. ROLLO  
Chairman

*Mary Patricia Galasso*  
MARY PATRICIA GALASSO  
Director

*Ajay Ganeshan Muthiah*  
AJAY GANESHAN MUTHIAH  
Director

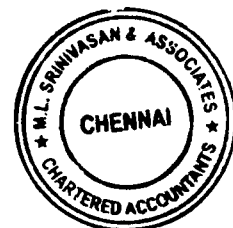
*Prakash*  
PRAKASH  
Managing Director



**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF  
SWITCHING TECHNOLOGIES GUNTHER LTD**

1. We have audited the accompanying statement of Financial Results of **Switching Technologies Gunther Limited** ("the Company") for the year ended 31 March, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related financial statements which has been prepared in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.  
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's Internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

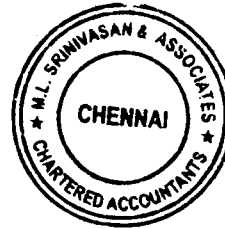
We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.





4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net loss and other financial information of the Company for the year ended 31 March, 2018.
5. The Statement Includes the results for the Quarter ended 31 March, 2018 being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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



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

Place : Chennai  
Date : 31-05-2018



**Auditors' Certificate on Corporate Governance**

To

The Members of Switching Technologies Gunther Limited

We have examined the compliance of conditions of Corporate Governance by Switching Technologies Gunther Ltd., (the Company) for the year ended on March 31, 2018, as stipulated in clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India.

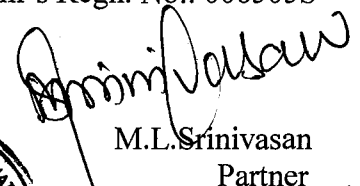
The compliance of conditions of Corporate Governance is the responsibility of the Management.

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit, nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and their presentations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

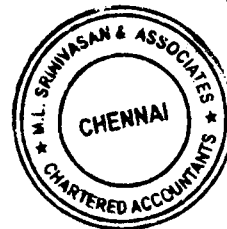
We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of  
M.L.Srinivasan & Associates  
Chartered Accountants  
Firm's Regn. No.: 006505S



M.L.Srinivasan  
Partner  
M. No.: 203154

Place: Chennai  
Date: 31-05-2018





**INDEPENDENT AUDITORS' REPORT**

To the Members of Switching Technologies Gunther Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of Switching Technologies Gunther Limited ("the company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other according principles generally accepted in India.

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

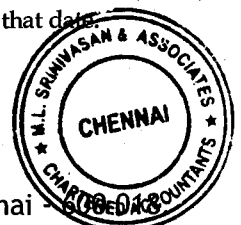
We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Loss, total comprehensive Income, the changes in equity and its cash flows for the year ended on that date.



# M.L. SRINIVASAN & ASSOCIATES

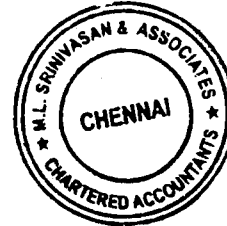
## CHARTERED ACCOUNTANTS



### Report on other Legal and Regulatory Requirements

1. 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 appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of change in equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
  - e) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to our best of our information and according to the explanations given to us :
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund and
2. As required by the Companies (Auditors' Report) Order, 2016 ('the Order') issued by the Central Government of India it terms of sub-section (11) of section 143 of the Act, we give in the Annexure B, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

For M L Srinivasan & Associates  
Chartered Accountants  
Firm Registration No.0065055



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

Place : Chennai  
Date : 31-05-2018



**Anneure A to the Independent Auditors' Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our Report to the Members of Switching Technologies Gunther Limited)

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

We have audited the internal financial controls over financial reporting of Switching Technologies Gunther Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

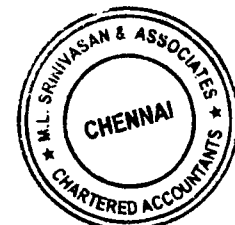
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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 of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



# M.L. SRINIVASAN & ASSOCIATES

## CHARTERED ACCOUNTANTS



### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

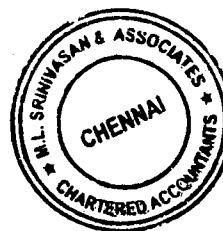
### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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 M L Srinivasan & Associates  
Chartered Accountants  
Firm Registration No.006505S

*M.L. Srinivasan*  
M L Srinivasan  
Partner

Membership No. 203154



Place : Chennai  
Date : 31-05-2018

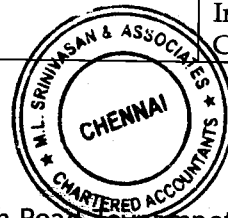


Annexure B to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Report to the Members of Switching Technologies Gunther Limited)

- i. In respect of the Company's fixed assets :
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. the fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
  - c. In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company as at the balance sheet date.
- ii. In respect of the Company's Inventory:
  - a. The inventory has been physically verified by the management during the year. In my opinion, the frequency of such verification is reasonable.
  - b. The discrepancies noticed on the aforesaid verification between the physical stocks and book records were not material.
- iii. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- iv. The Company has not granted any Loans or made Investments referred to under section 185 and 186 of the Act.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company specified by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales tax, Service tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise duty, Cess, and other material statutory dues applicable to it with the appropriate authorities.
  - b. As at 31<sup>st</sup> March 2018 according to the records of the Company, the following dues of Income tax, have not been deposited by the Company on account of disputes :

Name of the Statute	Nature of Dues	Amount (in Rupees)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax	20,61,790	Assessment Year 2012-13	CIT(Appeals), Chennai and Assistant Commissioner of Income tax, Company Range, Chennai





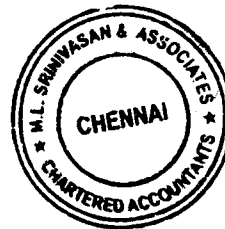
**M.L. SRINIVASAN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

Annexure-II 9/9



- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the order is not applicable to the Company.
- ix. The Company did not raise any money by way of initial public offer or further Public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made and preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
- xvi. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

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



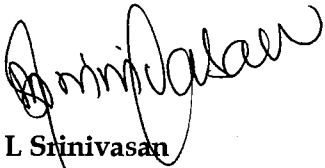
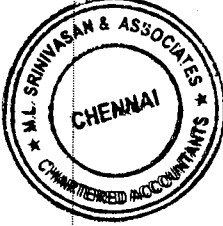

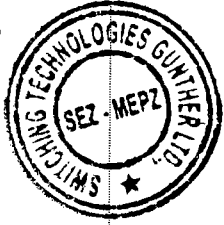


*M.L. Srinivasan*  
M.L. Srinivasan  
Partner  
Membership No. 203154

Place: Chennai  
Date : 31-05-2018

**FORM A**

Format of covering letter of the annual audit report to be filed with the stock exchanges

1. Name of the Company:	Switching Technologies Gunther Ltd.
2. Annual financial statements for the year ended	31st March 2018
3. Type of Audit observation	Un-qualified
4. Frequency of observation	Not Applicable
<p>5. To be Signed by:</p> <ul style="list-style-type: none"> <li>▪ Managing Director</li> <li>▪ Auditor of the Company</li> <li>▪ Audit Committee Chairman</li> </ul>	<p>For Switching Technologies Gunther Limited</p>  Managing Director   <p>For M L Srinivasan &amp; Associates Chartered Accountants Firm Registration No.006505S</p>  M L Srinivasan Partner Membership No. 203154   <p>For Switching Technologies Gunther Limited</p>  Audit Committee Chairman 

**Note:** Please note that our company does not have the position of CEO and CFO. These positions are handled by Managing Director only.