



SPEL Semiconductor Limited
an IC Assembly & Test Company

34th Annual Report
2018 - 19

Defining The Future Through Partnerships

SPEL Semiconductor Limited

Board of Directors

- | | |
|-----------------------------|---------------------------|
| 1. Mr. K. Ravikumar | Director |
| 2. Mr. N. Suryanarayanan | Director |
| 3. Mr. M. Jayasankar | Director |
| 4. Dr. Enakshi Bhattacharya | Director |
| 5. Mr. S. Chandramohan | Additional Director |
| 6. Mr. D. Balakrishnan | Whole Time Director & CEO |

Chief Financial Officer

Mr. V. Srinivasan

Company Secretary & Compliance Officer

Mr. S. S. Arunachalam

Auditors

Mr. K. Nandhiswaran, F.C.A., F.C.S.,
Chartered Accountant
40 A, 1st Circular Road
Jawahar Nagar, Chennai 600 082

Registered Office & Factory

5 CMDA Industrial Estate,
MM Nagar (Chennai) 603 209, India.

Bankers

Indian Overseas Bank

Registrar & Share Transfer Agents

Cameo Corporate Servies Limited,
Subramanian Building,
Vth Floor, 1 Club House Road,
Chennai 600 002.
Tel : (044) 2846 0390
Fax: (044) 2846 0129

Previous 10 years performance

(₹ in Lakhs)

	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Sales	26,33.74	41,66.31	35,53.22	25,85.04	47,19.37	63,38.90	80,76.92	79,78.63	91,46.24	87,16.00
PBIDT	(3,01.68)	86.31	(22,98.94)	(9,86.62)	13,68.29	15,86.20	11,97.01	13,40.67	18,28.28	19,62.55
Finance Cost	2,84.37	2,89.16	2,15.67	3,04.40	4,04.29	4,70.37	5,84.01	3,25.12	1,73.25	2,14.57
PBDT	(5,86.05)	(2,02.85)	(25,14.61)	(12,91.02)	9,64.00	11,15.83	6,13.00	10,15.55	16,55.03	17,47.98
Depreciation	5,14.81	6,30.57	6,93.33	10,71.32	10,12.40	10,96.13	11,85.06	9,37.80	8,81.34	8,18.45
PBT	(11,00.86)	(8,33.42)	(32,07.94)	(23,62.34)	(48.40)	19.70	(5,72.06)	77.75	7,73.69	9,29.53
Tax Expense	(27.28)	13.64	(1,47.54)	(3,83.33)	(13.18)	(12.48)	(1,17.03)	20.81	3,20.71	3,18.69
PAT	(10,73.58)	(8,47.06)	(30,60.40)	(19,79.00)	(35.22)	32.18	(4,55.03)	56.94	4,52.98	6,10.84
Net Profit	(10,73.58)	(8,47.06)	(30,60.40)	(19,79.00)	(35.22)	32.18	(4,55.03)	56.94	4,52.98	6,10.84

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Notice

Notice is hereby given that the 34th Annual General Meeting of the Members of SPEL Semiconductor Limited will be held at 3.30 pm on Saturday, Sep 28, 2019 at the Registered Office of the Company, No.5 CMDA Industrial Estate, Maraimalai Nagar 603 209 to transact the following business :

Ordinary Business

1. Adoption of Financial Statements

To receive, consider and adopt the Balance Sheet as at Mar 31, 2019 and the Statement of Profit and Loss and Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, together with the Reports of the Directors and the Auditors thereon.

2. Retirement by Rotation

To appoint a Director in place of Mr. K. Ravikumar, who retires by rotation and being eligible, offers himself for re-appointment.

3. Ratification of Appointment of Auditors

"Resolved that pursuant to provisions of Section 139 of the Companies Act, 2013, and Rules thereunder re-appointment of Mr. K. Nandhiswaran, Chartered Accountant (M.No.207644), as Statutory Auditor of the Company to hold office from the conclusion of this AGM to the conclusion of the 4th consecutive AGM, be and is hereby ratified"

Special Business

4. Appointment of Mr. S. Chandramohan as Independent Director

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :

"Resolved that in accordance with the provisions of Sections 149, 150, 152 and applicable provisions of the Companies Act, 2013 ("Act") thereunder read with Schedule IV to the Act as is

current at any time, Mr. S. Chandramohan, (holding DIN 00052571), as Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and is eligible for appointed as an Independent Director of the Company with effect from Feb 11, 2019 and upto Feb 10, 2024, not liable to retire by rotation."

5. Re-appointment of Mr. D. Balakrishnan, as Whole Time Director

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :

"Resolved that subject to the provisions of Section 2(94), 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and Rules, consent of the Company be and is hereby accorded to the re-appointment of Mr. D. Balakrishnan as Whole Time Director of the Company from Aug 1, 2019 to Jul 31, 2024 on the terms and conditions as specified in the statement pursuant to Section 102(1) of the Companies Act, 2013 to this Notice as under :

- a. Remuneration : ₹ 22,14,060/-
- b. Remuneration shall be subject to deduction of tax at source and other statutory deductions as applicable.
- c. Perquisites : ₹ 15,000/-
- d. Telephone & Mobile phone expenses including payment for local calls and long distance calls incurred for business purposes of the Company to as per company rules.

"Resolved further that the Board of the Committee of Directors be and are hereby authorized to modify, the terms and conditions and remuneration, during the tenure of his office".

"Resolved further that the Board of Directors and the Company Secretary be and are hereby authorized to do all acts, deeds, matters and

things as may be considered necessary, desirable or expedient to give effect to this resolution”

6. Renewal of Non-Convertible Debenture issued on Private Placement Basis and re-appointment of SBICAP Trustee Company Limited as the Trustee for Non-Convertible Debenture

To consider and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution :

“Resolved that pursuant to Section 42 and 71 of the Companies Act, 2013 ("the Act") read with Rule 14 (2) Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies Share Capital and Debentures Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and subject to the 117 (w) (ii) provisions of Articles of Association of the Company, and subject to such other approvals as may be required from time to time, consent of the Board be and is hereby accorded, to renew Secured or Unsecured, Non-Convertible Debentures on private placement basis.

“Resolved further that under the provisions of Section 179 (3) (c) of the Companies Act, 2013 and Companies Share Capital and Debentures Rules 2014, the Board of the Company be and is hereby authorized to renew Non-convertible Debenture in favour of Dr. A. C. Muthiah and Mrs. Devaki Muthiah amounting to Rs.3.5 Crores each in lieu of unsecured loan of Rs.7 Crores received from them”.

“Resolved that under the provisions of Section 179 (3) (f) of the Companies Act, 2013 and Companies Share Capital and Debentures Rules 2014, the Board of the Company be and is hereby authorized to create securities in relation to the renewal of the above Non-Convertible Debentures”

“Resolved further that in connection with the above, SBICAP Trustee Company Limited, Mumbai, be re-appointed as the Trustee for this purpose and Mr. D. Balakrishnan, Director & CEO or Mr. S. S. Arunachalam, CS&CO be and is hereby severally authorized to do all such acts, deeds matters and things as may be deemed necessary.”

“Resolved further that the Common Seal of the Company be affixed in the Non-Convertible Debenture in the presence of any two of the Directors and Secretary of the Company”

By order of the Board
for SPEL Semiconductor Limited

D. Balakrishnan

Whole Time Director & CEO

DIN: 02131242

May 29, 2019
Chennai

Notes

1. Details required under Listing Agreement with the Stock Exchange, of persons seeking appointment / re-appointment is annexed.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy/ Proxies to attend and vote instead of himself/herself. Such a Proxy/ Proxies need not be a Member of the Company. A person can act as Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total Share Capital of the Company.
3. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting. A Proxy form is sent herewith. Proxies submitted on behalf of Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. The Register of Members and the Share Transfer books of the Company will remain closed from Sep 22, 2019 to Sep 28, 2019 (both days inclusive).
5. For Shares held in physical form, any change in address may be intimated immediately to the Company / Share Transfer Agent by quoting the Folio Number (s). For Shares held in Demat form, change in address may be intimated directly to the Members' DP. Members are requested to address all correspondences to the Registrar and Share Transfer Agents, Cameo Corporate Services Limited, Subramanian Building, 1 Club House Road, Chennai-600 002.
6. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and be verified.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
8. Electronic copy of the Abridged Annual Report is being sent to all the Members whose email IDs are registered with the Company/ Depository Participant (s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Abridged Annual Report is being sent in the permitted mode.
Members may note that the Notice of the 34th Annual General Meeting and full Annual Report will be available on the Company's website www.spel.com for download. Physical copies of full Annual Report will be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to full Annual Report in physical form, upon making a request for the same, by post free of cost. For any communication, the Shareholders may also

send requests to the Company's Investor eMail id : investors@spel.com.

9. Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

The instructions for Shareholders voting electronically are as under :

- a. The voting period begins at 9.00 am on Sep 25, 2019 and ends at 5.00 pm on Sep 27, 2019. During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Sep 21, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b. The Shareholders should log on to the e-voting website www.evotingindia.com.
- c. Click on Shareholders.
- d. Now Enter your User ID
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e. Next enter the Image Verification as displayed and Click on Login
- f. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- g. If you are a first time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form

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"> Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (c).

- h. After entering these details appropriately, click on "SUBMIT" tab.
- i. Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.

- j. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - k. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
 - l. 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.
 - m. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - n. 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.
 - o. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - p. You can also take print out of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - q. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - r. Note for Non-Individual Shareholders and Custodians
 - i. Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - iii. 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.
 - iv. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - v. 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.
 - vi. In case you have any queries or issues regarding e-voting, you may refer the e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be opened for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

Note: e-Voting shall not be allowed beyond said time.

By order of the Board
for SPEL Semiconductor Limited
D. Balakrishnan
Whole Time Director & CEO
DIN: 02131242

May 29, 2019
Chennai

**Explanatory Statement in respect of the
Special Business pursuant to Section 102 of
the Companies Act, 2013**

Item No.4

Mr. S. Chandramohan was appointed as Additional Director of the Company by the Board of Directors at its Meeting held on Feb 11, 2019 pursuant Section 149, 152 of the Companies Act 2013 and Article 94 of Articles of Association of the Company and holds office upto the date of this Annual General Meeting of the Company pursuant to Section 161 (1) of the Act and Article 94 of Articles of Association of the Company

A brief profile of Mr. S. Chandramohan is given herein for the information of Shareholders.

Mr. S. Chandramohan is a Chemical Engineer from Annamalai University, with a post graduate qualification in Business Management from Madras University. He has been associated with a southern conglomerate for nearly four decades in multifarious functions and positions at different locations, both in India and abroad. He joined Tuticorin Alkali Chemicals and Fertilisers Limited (TAC) as its Managing Director & held the position for nearly 9 years.

In Jan 2014, he joined the Kanchi Kamakoti CHILDS Trust Hospital as its Chief Executive Officer (CEO) and is holding the position since then. During the last three years, he has been responsible for revamping, modernising and upgrading the 40-year-old hospital to an ultra-modern hospital. He is also the Advisor to the Tamilnadu Chapter of the Association of Health Care Providers of India (AHPI).

During 2006, the CENTRE FOR SUGGESTION SYSTEM DEVELOPMENT, U.S.A., honoured him with the "SUGGESTION SALUTE AWARD FOR 2006" for his outstanding achievement in the Suggestion System Industry. During Dec. 2007, the INSTITUTE OF ECONOMIC

STUDIES, New Delhi conferred the "UDYOG RATTAN AWARD", for his outstanding performance in the field of Industrial Development of the country. In 2010, the Indian Institute of Chemical Engineers bestowed the DOST Professor J.K. Sharma Medal and CHEMCON distinguished Speaker Award at its annual All India Chemical Engineering Conference

In the opinion of the Board, Mr. S. Chandramohan fulfills the conditions specified in the Act and Rules for his appointment as an Independent Director of the Company as he is independent of the management under Section 149(6) & 152(5) of the Act.

Accordingly under Section 149 read with Schedule VI of the Act, the appointment of Mr.S. Chandramohan as Independent Director is placed before the Members in the General Meeting for approval.

The Board recommends the election of Mr. S. Chandramohan as a Director not liable to retire by rotation, for the approval of the Shareholders.

Notice has been received from a Member signifying his intention to propose appointment of Mr. S. Chandramohan as Director of the Company along with a deposit of ₹ 1,00,000/-.

Except Mr. S. Chandramohan, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

Item No.5

The Board at its meeting held on Jun 19, 2014 appointed Mr. D. Balakrishnan as Additional Director of the Company with effect from Jun 19, 2014 and subsequently he was also appointed as Whole Time Director of the Company with effect from Aug 1, 2014, for a 5 year period ending upto Jul 31, 2019. Since his position is expiring the board at its meeting held on May 29th, 2019 approved re-appointment of Mr. D. Balakrishnan as Whole Time Director at

the company

A brief Profile of Mr. D. Balakrishnan is given herein for information of Shareholders. Mr. D. Balakrishnan holds a Degree in Engineering (Electronics & Communication) from Bangalore University. He has over 23 years of experience in the Semiconductor Industry. He joined in SPEL as Technical Sales Engineer, held positions of Production Control Manager & GM (Operations). He was the Chief Operating Officer since 2007. He has been instrumental in scaling operations and possess exceptional Leadership qualities besides providing his mettle in team building, production planning & control and resource management. He is now holds the present position of CEO from Jun 18, 2009. He also spearheads Natronix-SPEL's expansions within and outside India.

The terms and conditions of Mr. D. Balakrishnan's re-appointment have been set out in the resolutions and he will function under the supervision of the Board.

The Board recommends the re-election of Mr. D. Balakrishnan as Whole Time Director for the approval of the Shareholders. A copy of the agreement relating to his re-appointment with the terms and conditions is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day excluding Saturday. Except Mr. D. Balakrishnan, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Item No.6

In order to meet the working capital requirements of the Company that may arise during FY 2019-20, the Board of Directors of the Company at its meeting held on May 30, 2016 has, subject to the approval of the Shareholders in the General Meeting proposed

to issue Non-Convertible Debenture to various persons on private placement basis, at such terms and conditions and at such price(s) in compliance with the requirements of regulatory authorities, in any as may be finalized by the Board and/or Committee of Directors. The amount raised by way of issue of Non-Convertible Debentures on private placement basis however, shall not exceed ₹ 50 Crores in aggregate.

Consent of the Members is therefore sought in connection with the aforesaid renewal of Debentures from time to time and authorize Board (including any Committee of the Board) to renew Non-Convertible Debentures for a period of 3 years ending upto Jul 31, 2022 FY 2019-20 on private placement basis upto ₹ 50 Crores as stipulated above, in one or more branches.

The Board recommends the Special Resolution set forth in Item No.6 of the Notice for approval of the Members.

None of the Directors or Key Management Personnel of the Company including their relatives are interested or concerned in the Resolution except to the extent of their shareholding if any, in the Company.

“Resolved that Board of Directors of the Company or the Committee thereof be and is hereby authorized to finalize with the investor(s) for creating mortgage / charges / pledge / hypothecate and to negotiate / finalize, sign the documents in connection with the above renewal of Non-Convertible Debentures.”

The Company has appointed Sri. T. Balasubramaniyan, Practicing Company Secretary, Chennai (C.P.No. 3402) to act as Scrutinizer for conducting the electronic voting process in a fair and transparent manner.

By order of the Board
for SPEL Semiconductor Limited

May 29, 2019
Chennai

D. Balakrishnan
Whole Time Director & CEO
DIN: 02131242

Annexure

Details of Directors seeking Appointment / Reappointment at the Annual General Meeting

Name of the Director	Mr. K. Ravikumar	Mr. D. Balakrishnan	Mr. S. Chandramohan
Date of Birth	June 15, 1949	Dec 8, 1963	June 22, 1951
Date of Appointment	May 26, 2014	June 19, 2014	Feb 11, 2019
Qualification	M. Tech from IIT Madras and Post-Graduation in Business Administration	Degree in Engineering (Electronics & Communication) from Bangalore University.	Chemical Engineer from Annamalai University and Post Graduate in Business Management from Madras University
Expertise in Specific functional areas	Under his leadership, new technologies like super critical thermal sets in the field of coal and gas based power plants were introduced for the first time in the country	He has over 23 years of experience in the Semiconductor Industry. He has been instrumental in scaling operations and possess exceptional Leadership qualities besides proving his mettle in Team Building, Production Planning & Control and Resource Management.	He has over 40 years of experience in Fertilizers Industry. He was instrumental in the development and implementation of various augmentation and diversification projects including overseas joint ventures.
Chairmanship / Directorship of other Companies (excluding Foreign Companies and Section 8 Companies)	Director in Reliance Infrastructure Limited, Reliance Naval and Engineering Limited and Reliance Power Limited	--	--
Committee Position held in other Companies	Reliance Infrastructure Limited : Chairman in Stakeholder Relationship Committee and Nomination and Remuneration Committee. Member in Audit Committee, Risk Management Committee, CSR Committee Reliance Power Limited : Chairman in Audit Committee and Nomination and Remuneration Member in Stakeholder Relationship Committee, Risk Management Committee, CSR Committee. Reliance Naval and Engineering Limited: Chairman in Audit Committee, Risk Management Committee, Stakeholders Relationship Committee, CSR Committee, Nomination and Remuneration Committee and Resolution Plan Committee	--	--
Shareholding (No. of Shares)	--	10,000 Shares	--

Directors' Report

Your Directors present the 34th Annual Report of the Company together with the Audited Accounts for the year ended Mar 31, 2019.

1. Financial Highlights / Performance

The Operating results of your Company as per IndAS Financial Statements for the year ended Mar 31, 2019 are given below :

Particulars	₹ In Lakhs	
	Year ended Mar 31, 2019	Year ended Mar 31, 2018
Sales	26,33.74	41,66.31
Other Income	4,86.10	2,33.70
PBIDT	(3,01.68)	86.31
Finance Cost	2,84.37	2,89.16
Depreciation	5,14.81	6,30.57
Profit / (Loss) before Taxation	(11,00.86)	(8,33.42)
Tax Expense	(27.28)	13.64
Profit / (Loss) after Taxation	(10,73.58)	(8,47.06)

Company's performance

During the year under review Turnover of your Company got improved significantly. Though H1 FY 2018-19 first quarter was good, Q3 FY 2018-19 was the worst in the year due to delayed material deliveries. We are yet to recover from the aftermath of the Employees unrest during FY 2015-16, the recovery was considerably low. Customer demands for the existing products & packages were volatile however have seen phased increase in order receipts. Promoter's contribution during the year had facilitated to ease out the financial pressure substantially. Your Company had maintained good relationship with all its Customers in US & Europe and has seen good improvement in capturing business from one of the big Customers in the US. It is expected to improve production orders in FY 2019-20. The outlook for FY 2019-20 is good and SPEL has plans to induct new Customers from Europe & US regions.

2. Dividend

Due to the loss for the year, dividend could not be paid during the year.

3. Reserves

The reserves of the Company has been reduced from ₹ 4090.24 lakhs to ₹ 3016.66 lakhs at the end of the year.

4. The Global Semiconductor Industry :

The Semiconductor Industry Association (SIA) has announced worldwide sales of Semiconductors reached \$32.9 billion for the month of Feb 2019, a decrease of 7.3 percent from the Jan 2019 total of \$35.5 billion and 10.6 percent less than the Feb 2018 total of \$36.8 billion. Monthly sales are compiled by the World Semiconductor Trade Statistics (WSTS) organization and represent a three-month moving average.

The global Semiconductor market grew 13.7% in 2018, but finished weak with an 8.2% decline in the 4Q from 3Q, according to World Semiconductor Trade Statistics (WSTS). The first quarter of 2019 was even weaker, states Semiconductor Intelligence, which reviews Semiconductor forecasts each year and compares them to the final WSTS data.

The current outlook for the Semiconductor industry for 2019 assumes lower memory prices, slower electronic equipment demand, inventory corrections, and slower growth for the global economy.

Forecast for FY 2019-20

The expectations for the 2020 Semiconductor market are for a moderate rebound. VLSI Research and Gartner forecast growth in 2020 of 7.0% and 8.1% respectively. And the preliminary 2020 forecast from Semiconductor Intelligence is 5% to 10% growth.

Regionally, sales decreased both month-to-month and year-to-year across all regional markets: Europe (-2.3 percent month-to-month/-3.0 percent year-to-year), Asia Pacific/All Other (-5.1 percent/-7.2 percent), Japan (-5.3 percent/-5.9 percent), China (-7.8 percent/-8.5 percent), and the Americas (-12.9 percent/-22.9 percent).

Market Drivers for future

The outlook for key end equipment for Semiconductor is bleak. IDC, in March forecasted a 0.8% decline in smartphone unit shipments in 2019 and a 3.3% decline in combined PC and tablet unit shipments.

Recent 2019 Semiconductor market forecasts are generally negative. The latest projection from Semiconductor Intelligence is a 10% decline. Several forecasts are in the -5% to -1% range. While Gartner projects a 2.6% gain for Semiconductors.

Memory is the weakest link in 2019. IC Insights projects the IC market will decline 9% in 2019, but will be flat excluding memory. WSTS expects 2.6% growth for Semiconductor excluding memory. Semiconductor Intelligence forecast is for a 2% decline in Semiconductor without memory.

The automotive Semiconductor market will exceed the overall industry growth as Semiconductor content expands with added features and functionality. The desire to put self-driving vehicles on the road is creating increased interest in innovative automotive solutions as well as increased Semiconductor demand. A new research report from Semico Research the automotive segment of the Semiconductor industry will grow to \$73 billion by 2023.

Semiconductor Mergers

In 2018 Semiconductor M&A activity was valued at \$23.2 billion, down from \$28.1 billion in 2017 and from a record level of \$107.3 billion in 2015. The two largest deals in 2018 were the acquisition of Microsemi by Microchip Technology for \$8.35 billion and the acquisition of Integrated Device Technology (IDT) by Renesas Electronics for \$6.7 billion in cash. The two-Micros deal closed in May 2018. The Renesas deal is expected to complete by Jun 2019.

Also announced in 2018 was Micron Technology's intention to acquire full ownership of its IM Flash Technology joint venture for about \$1.5 billion in cash. Another deal was the intention of Wingtech Technology Co. Ltd. (Shanghai, China) to acquire Nexperia BV (Nijmegen, The Netherlands), a manufacturer of discrete, logic by buying out the majority owning consortium that acquired Nexperia from NXP.

Outsourced Assembly and Test (OSAT) Industry

Over the next five years the Outsourced Semiconductor Assembly and Test (OSAT) market will register a 4.3% CAGR in terms of revenue, the global market size will reach US\$ 36,100 million by 2024, from US\$ 29,300 million in 2019. In particular, this report presents the global revenue market share of key companies in Outsourced Semiconductor Assembly and Test (OSAT) business

The Increasing adoption of consumer electronics products including tablet PCs, wearable devices (smart watches, smart glasses, head mounted displays, fitness equipment etc.), gaming consoles, audio/video devices along with the rising penetration of smartphones in the communications segment is driving the overall SATS market growth. Additionally, growing technological advancements in next-generation cars (automotive electronics) equipped with enhancing car safety and management systems, are also driving the growth of SATS market.

Advanced packaging solutions such as wafer level packages and flip chip are driving the market growth of packaging solutions (inter-connecting solutions) segment in the total SATS market.

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segment in the total SATS market.

Growing adoption of wearable devices which mandates high performance with low power and thermal ratings, the demand for wafer-level packaging inter-connecting solution is expected to grow in the foreseeable future. This segment is analyzed to expand at a CAGR of 9.2% by 2021

The Indian Semiconductor Industry

India's Semiconductor market share is hardly representative of its size, both in terms of geography and in its tag as being a technology design services region. However, the demand for Semiconductor chips in the Indian market has grown fast, especially when compared to the global average.

Mobile phone manufacturers are now importing chips and components as well as doing basic printed circuit board assembly in India, instead of assembling knocked down parts of mobile phones. Semiconductor imports for mobile phone devices alone is estimated to reach US\$ 10+ billion in 2020. Semiconductor chips find usage in the smartphone sensor hub. It's a growing market when you add wearables to smart phones, since wearables use a lot more Semiconductor chips.

Amid the high level of design activity happening in India in terms of services, there is a severe lack of full-fledged product design and manufacturing companies in India, with the scale hardly matching any Asian electronics manufacturing economies. Due to this, the overall Semiconductor market as India is small in size, especially in terms of local design enabled market growth. The local Semiconductor market worth around US\$ 18-20 billion in 2019.

Defense electronics and aerospace remains a stable market for Semiconductors in India. This market has consistently grown for a very long time. The major Customers here have traditionally been public sector enterprises. Recently the private sector has also been playing an active role in the Indian defense and aerospace industry. The government procures a lot of electronic systems for e-governance, which is another big market for Semiconductors.

5. Human Resources Development

Your Company has enthroned the attributes listed below as its core values. The Management will assiduously practice and enthuse its Employees to imbibe these virtues. Towards this end training is imparted every month, every Employee goes throughout the drill at least once in six months :

- a. Business Ethics : defines us as a Company
- b. Professionalism : defines us as Individuals
- c. Citizenship : defines our contribution to Society

SPEL's medium for Corporate Social Responsibility (CSR) is through Socio-Economic Contribution (S-E-C) and SPEL Employees Social Service Organization (SESSO). For most people, the idea of Social Service is donating money to a social organization - perhaps an old-age home or an orphanage or similar. This however is the easy part. The difficult part is volunteering one's time to improve society.

When can we make a contribution to Society?

During Phase 1 of our lifetime, perhaps up to the age of 35, we are so focused on building our careers, starting our families & establishing a name for ourselves

During Phase 2 perhaps from age of 35 thru 65, we are the most active in our work, working as a team, being able to significantly contribute to Economic Development

During Phase 3 perhaps from age 65 onwards, we are most able to contribute our time on an increased basis to social causes S-E-C at SPEL is all about how we can contribute socially during Phase 2 itself while also handling Economic Development. Towards this, there are 3 areas that each of us can assist by making these a part of our day to day approach :

1. Following discipline in any and everything we do
 2. Providing a helping hand to people around us in any way we possibly can
 3. Showing the right path forward to people around us
- S-E-C in SPEL is primarily done by One-to-One Mentoring as each person encourages & motivates the other, towards a more purposeful & effective lifestyle.

As part of the core values, following activities were undertaken through SESSO :

- i) Educational assistance to the needy people in and around Factory.
- ii) Voluntary Blood Donation camp.
- iii) Assistance to orphanage and old age home located near Factory.

6. Material changes affecting the financial position of the Company which have occurred between the end of Financial Year and the date of the report.

Nil

7. 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

Nil

8. Adequacy of internal financial controls

The Company's internal financial controls systems are commensurate with the nature of business and the size and complexity of its operations. These are routinely tested by the Internal Auditors and cover all key business areas.

9. Subsidiary/Joint Ventures/Associate Companies

Your Company had incorporated a Wholly Owned Subsidiary Company during FY 2017-18, in the name and style of SPEL Semiconductor Packaging Limited. This Company is yet to commence production. It is envisaged to commence production after getting due statutory approvals from the authorities.

10. Deposits

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

11. Statutory Auditors

Mr. K. Nadhiswaran, Chartered Accountant, has expressed his consent for the re-appointment as Statutory Auditor for the Financial Year 2019-20 and has confirmed that the appointment, if made, will be in accordance with the limits specified under Section 139 of the Companies Act 2013.

12. Share Capital

There has been no change in the share capital of the Company during the year.

13. Extract of the Annual Return

As provided under Section 92 (3) of the Act, the extract of Annual Return is given in annexure in the prescribed Form MGT-9, which forms part of this report.

14. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

Conservation of Energy

The Company has in place an Energy Committee which meets once a month. This Committee consists of Cross-functional Executives. It assesses the potential areas, develops means to save energy and implements the plan with the approval of the Management.

Measures were taken during the year to conserve water and electricity resorting to reuse of Dicing process water, rain water harvesting, power factor improvement and investment on air cooled chillers and air compressors.

Savings in Electricity	50716 Units
Savings in Water consumption	1573 KL

Technology Absorption

The particulars regarding Technology Absorption are not applicable to your Company.

Foreign Exchange Earnings and Outgo

Your Company is a 100% Export Oriented unit and is constantly striving to increase its exports.

Foreign Exchange used during the year :
₹ 14,21.69 Lakhs

Foreign Exchange earned during the year :
₹ 23,41.81 Lakhs

15. Research & Development (R&D)

The Company has carved out an ambitious plan of investment in R&D. This will include investment in Package Intellectual Property, thereby assisting Company's revenue and profitability in the future years.

16. Directors and Key Managerial Personnel

Mr. S. Chandramohan was appointed as Additional Director at the Board Meeting held on Feb 11, 2019.

17. Number of meetings of the Board

Four Meetings of the Board were held during the year. For details of the meetings of the board, please refer to the Corporate Governance Report, which forms part of this report.

18. Audit Committee

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which forms part of this report

19. Vigil mechanism for Directors and Employees

The Company has a Vigil Mechanism by way of Whistle Blower Policy to provide a Vigil Mechanism for Employees and Directors to report genuine concerns. The provisions of this policy are in line with Section 177 (9) of the Act. A copy of the policy is uploaded in the website of the Company.

20. Nomination and Remuneration Committee

The details pertaining to Nomination and Remuneration Committee are included in the Corporate Governance Report, which forms part of this report

21. Loans, guarantees or investments

Particulars of loans, guarantees and investments have been disclosed in the financial statements.

22. Contracts or arrangements with Related Parties

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto have been disclosed in Form No. AOC-2.

23. Managerial Remuneration

Managerial Remuneration is given in annexure which forms part of this report.

24. Secretarial Audit Report

Secretarial Audit Report is given as annexure, which forms part of this report.

25. Formal Annual Evaluation of Board on its own performance, Committees of the Board and the individual directors

The Board of Directors has carried out an annual evaluation of its own performance, Committees of the Board and the individual directors pursuant to the provisions of the Act and Corporate Governance as prescribed under Regulation 17 (10) of SEBI (LODR) Regulation 2015. In a separate meeting of the independent directors, performance of the Non-Independent Director and performance of the Board as a whole was evaluated.

26. Familiarization Programme for Independent Directors

The Company has prepared and presented a power point presentation for Independent Directors in order to enable them to familiarize with the Company's policies and practices.

27. Risk management

A Risk Management Committee to identify and monitor the risks has been formed with a responsibility to review the risks and evolve mitigation plan required. Periodical action is taken to address the major risks identified.

28. Corporate Governance Certificate

The Corporate Governance Certificate from the Auditors regarding compliance of conditions of Corporate Governance as stipulated in Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with this report.

29. Reply to Statutory Auditors' comments in their report.

The Statutory Auditors have commented in their report regarding "Going Concern" assumption adopted in preparation of Ind AS Financial Statements. The Management's response is given in the Note 3.15 of the IndAS Financial Statements, which is self-explanatory.

The Statutory Auditors comments on Internal Financial Controls relating to revenue recognition and inventory are being addressed to strengthen the internal control systems.

30. Reply to comments by Secretarial Auditor in his report

Due to financial situation of the Company, statutory dues not paid in time. Subsequently, the same was paid and regularised

31. Directors' Responsibility Statement

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm that :

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures
- (b) they have selected such accounting policies and 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 of the loss of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by the management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2018-19.

Acknowledgements

Your Directors place on record their gratitude especially to the Promoters, who had assisted significantly towards the recovery bath. Directors also placed on record their gratitude to the Government of India, the Government of Tamil Nadu, Financial Institutions, Bankers, Insurance Companies, Customs & Excise authorities, valued overseas Customers & Vendors and the Promoters for the continued assistance and support extended to the Company.

Yours Directors wish to place on record, their appreciation of the efficient and loyal services rendered by the supportive Employees at all levels of the Company. Yours Directors wish to thank the Shareholders who constitute the mainstay of the Company for their unstinted support, forbearance confidence reposed on the Management.

**By order of the Board
for SPEL Semiconductor Limited**

N. Suryanarayanan
Director
DIN 02282919

D. Balakrishnan
Whole Time Director & CEO
DIN: 02131242

M. Jayasankar
Director
DIN 00048351

S. Chandramohan
Director
DIN 00052571

May 29, 2019
Chennai

Form No. AOC -2

(Pursuant to Clause (h) of sub-section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto :

- | | | |
|--|---|-----|
| 1. Details of contracts or arrangements or transactions not at arm's length basis | : | Nil |
| 2. Details of materials contracts or arrangement or transactions at arm's length basis | : | Nil |

By order of the Board
for SPEL Semiconductor Limited

May 29, 2019
Chennai

D. Balakrishnan
Whole Time Director & CEO
DIN: 02131242

SL. No.	Particulars	Explanation	Ratio to median Remn.									
1.	The ratio of remuneration of each director to the median remuneration of the employee of the Company of the financial year	Mr. D. Balakrishnan, Director & CEO	9.16									
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	NIL										
3.	The percentage increase in the median remuneration of employees in the financial year.	0.66%										
4.	The number of permanent employee on the rolls of the company.	325 Employees										
5.	The explanation on the relationship between average increase in remuneration and company performance	Increase in the remuneration of employees is in line with industry standards										
6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.	The remuneration of the KMP's are in the with the remuneration policy of the company where there remuneration is determined based on their performance which is co related to the performance of the Company.										
7.	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies the variations in the net worth of the company as at the close of the current financial year and previous financial year.	<table><tr><td>Particulars</td><td>Mar 31, 2019</td><td>% Change</td></tr><tr><td>Market capitalization</td><td>52,75,83,548</td><td>-33.74 %</td></tr><tr><td>Price Earnings Ratio</td><td>-2.33</td><td>18.17%</td></tr></table>	Particulars	Mar 31, 2019	% Change	Market capitalization	52,75,83,548	-33.74 %	Price Earnings Ratio	-2.33	18.17%	
Particulars	Mar 31, 2019	% Change										
Market capitalization	52,75,83,548	-33.74 %										
Price Earnings Ratio	-2.33	18.17%										

8.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There was no increase in the managerial remuneration
9.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Comparison of the remuneration of the key managerial personnel against the performance of the company aggregate remuneration of key managerial personnel (KMP) in 2018. <div>Revenue in (Lakhs)26,33,75</div> <div>Remuneration of KMPs (as % of revenue)1.63%</div> <div>Profit before tax (PBT) (Lakhs)11,00,08</div> <div>Remuneration of KMPs (as % of PBT)-8.02%</div>
	The key parameters of any variable component of remuneration availed by the directors	Not Applicable
	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable
	Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration of Directors, Senior Management and Employees is as per the Remuneration Policy of the Company.

Management Discussion & Analysis

The Management of your Company is pleased to submit the following :

The Global Semiconductor Industry

The Semiconductor Industry Association (SIA) has announced worldwide sales of Semiconductors reached \$32.9 billion of the month of Feb 2019, a decrease of 7.3 percent from the Jan 2019 total of \$35.5 billion and 10.6 percent less than the Feb 2018 total of \$36.8 billion. Monthly sales are compiled by the World Semiconductor Trade Statistics (WSTS) organization and represent a three-month moving average.

The global Semiconductor market grew 13.7% in 2018, but finished weak with an 8.2% decline in the 4Q from 3Q, according to World Semiconductor Trade Statistics (WSTS). The first quarter of 2019 was even weaker, states Semiconductor Intelligence, which reviews Semiconductor forecasts each year and compares them to the final WSTS data.

The current outlook for the Semiconductor industry for 2019 assumes lower memory prices, slower electronic equipment demand, inventory corrections, and slower growth for the global economy.

The expectations for the 2020 Semiconductor market are for a moderate rebound. VLSI Research and Gartner forecast growth in 2020 of 7.0% and 8.1% respectively. And the preliminary 2020 forecast from Semiconductor Intelligence is 5% to 10% growth.

Regionally, sales decreased both month-to-month and year-to-year across all regional markets: Europe (-2.3 percent month-to-month/-3.0 percent year-to-year), Asia Pacific/All Other (-5.1 percent/-7.2 percent), Japan (-5.3 percent/-5.9 percent), China (-7.8 percent/-8.5 percent), and the Americas (-12.9 percent/-22.9 percent).

Market Drivers For Future

The outlook for key end equipment for Semiconductor is bleak. IDC, in March forecasted a 0.8% decline in smart phone unit shipments in 2019 and a 3.3% decline in combined PC and tablet unit shipments.

Recent 2019 Semiconductor market forecasts are generally negative. The latest projection from Semiconductor Intelligence is a 10% decline. Several forecasts are in the -5% to -1% range. While Gartner projects a 2.6% gain for Semiconductors.

Memory is the weakest link in 2019. IC Insights projects the IC market will decline 9% in 2019, but will be flat excluding memory. WSTS expects 2.6% growth for Semiconductor excluding memory. Semiconductor Intelligence forecast is for a 2% decline in Semiconductor without memory.

The automotive Semiconductor market will exceed the overall industry growth as Semiconductor content expands with added features and functionality. The desire to put self-driving vehicles on the road is creating increased interest in innovative automotive solutions as well as increased Semiconductor demand. A new research report from Semico Research the automotive segment of the Semiconductor industry will grow to \$73 billion by 2023.

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In 2018 Semiconductor M&A activity was valued at \$23.2 billion, down from \$28.1 billion in 2017 and from a record level of \$107.3 billion in 2015. The two largest deals in 2018 were the acquisition of Microsemi by Microchip Technology for \$8.35 billion and the acquisition of Integrated Device Technology (IDT) by Renesas Electronics for \$6.7 billion in cash. The two-Micros deal closed in May 2018. The Renesas deal is expected to complete by Jun 2019.

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Defence electronics and aerospace remains a stable market for Semiconductors in India. This market has consistently grown for a very long time. The major Customers here have traditionally been public sector enterprises. Recently the private sector has also been playing an active role in the Indian defense and aerospace industry. The government procures a lot of electronic systems for e-governance, which is another big market for Semiconductors.

SPEL Positioning

- a. The fourth quarter of 2018-19 has seen decrease as against the forecasted numbers. Frequency in reaching out Customers & visiting them are increased to get additional orders. Identifying new Customers and new products are also in place. Material issues & equipment issues were resolved which helped to have better order receipts in the quarter. All backlogs are cleared and delivery improved in the time period.
- b. Relationship with all Customers is being maintained in good form and Customer communication is being increased in order to provide confidence and to inform them the status on real time basis. SPEL uses all electronic media to reach out Customer (eMails, Conference calls, Skype calls, Whatsapp calls, etc.). SPEL continues to provide various Value Added Services to all its Customers & focus to meet their QCDS requirements.
- c. Contribution of Sales Representatives is also ensured to bring in new business & to reach Customers in case of any delay in shipments and unable to meet their requirements. They are advised to bring in new Customers & new products. Weekly calls with them is being done to ensure their activities are up to the expectations.
- d. SPEL reaches its Suppliers, Vendors and Customers to refer any new Customers if they have come across and this has provided positive results. Few new Customer inducted through this methodology.
- e. The outlook for next quarter is bit critical as the overall Semiconductor market for next quarter will see down due to US-Chinese trade war issues & demand drop for Communication market. The overall market is affected and Customers aimed not to build excess inventory and to exhaust all available inventory. Memory market is the only area which will see increase and other products will be in lower demand. This may affect SPEL's business however approaching Customers & visits shall be increased to bring orders. SPEL plans to induct minimum 3 new Customers from Europe & US regions.
- f. New RFQs received from various Customers in this Quarter including new Customers. Quotations have been submitted and few of them converted into business and working on other RFQs to get business.
- g. Focus would be in the following areas :
 - i. Adding new Customers Planning to add new Customers both in Europe & US regions.
Three new Customers identified and SPEL is closely working with them in Europe
 - ii. Maintaining Inventory In the past, delayed material delivery was one of the concerns for having lower volumes. SPEL ensures to have adequate inventory to address Customers Forecast during FY 2019-20.

for SPEL Semiconductor Limited

May 29, 2019

Chennai

D. Balakrishnan

Whole Time Director & CEO

DIN: 02131242

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on Mar 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1. REGISTRATION AND OTHER DETAILS

i. CIN	L32201TN1984PLC11434
ii. Registration Date	26.12.1984
iii. Name of the Company	SPEL Semiconductor Limited
iv. Category / Sub-Category of the Company	Limited by Shares
v. Address of the Registered office and contact details	5 CMDA Industrial Estate, MM Nagar (Chennai) 603 209 Tel : 044 - 4740 5300
vi. Whether listed company Yes / No	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited, "Subramanian Building", V Floor 1, Club House Road, Chennai 600 002, Tel: 044 - 2846 0390 - 94 Fax: 044 - 2746 0129 Email : investor@cameoindia.com Contact person: Mr. Murali

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl.No.	Name and Description of main products/Services	NIC Code of the Product / Service	% to total turnover of the company
1.	Electronic Integrated Circuits	26103	100%

II.PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.No.	Name and Address of the Company	CIN / GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Natronix Semiconductor Technology Private Limited, Singapore		Holding Company	55.97	Sec 2 (46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares at the end of the year				% Change during the year
	Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1477573	0	1477573	3.20	1477573	0	1477573	3.20	---
b) Central Government	---	---	---	---	---	---	---	---	---
c) State Government (s)	---	---	---	---	---	---	---	---	---
d) Bodies Corporate	---	---	---	---	---	---	---	---	---
e) Banks / FI	---	---	---	---	---	---	---	---	---
f) Any Other	---	---	---	---	---	---	---	---	---
Sub-total (A)(1)	1477573	0	1477573	3.20	1477573	0	1477573	3.20	---
(2) Foreign	---	---	---	---	---	---	---	---	---
(a) NRIs- Individuals	---	---	---	---	---	---	---	---	---
(b) Other - Individuals	---	---	---	---	---	---	---	---	---
c) Bodies Corporate	25811207	0	25811207	55.97	25811207	0	25811207	55.97	---
(d) Banks/ FI	---	---	---	---	---	---	---	---	---
(e) Any Other	---	---	---	---	---	---	---	---	---
Sub-total(A)(2)	25811207	0	25811207	55.17	25811207	0	25811207	55.17	---
Total shareholding of Promoter									
(A)=A(1)+(A)(2)	27288780	0	27288780	59.17	27288780	0	27288780	59.17	---
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	---	8600	8600	0.02	---	8600	8600	0.02	---
b) Banks / FI	---	100	100	0.00	---	100	100	0.00	---
c) Central Government	---	---	---	---	---	---	---	---	---
d) State Government	---	---	---	---	---	---	---	---	---
e) Venture Capital Funds	---	---	---	---	---	---	---	---	---
f) Insurance Companies	---	---	---	---	---	---	---	---	---
g) FIs	9000	---	9000	0.02	9000	---	9000	0.02	---
h) Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
i) Others (specify)	---	---	---	---	---	---	---	---	---
Sub-total (B)(1)	9000	8700	17700	0.04	9000	8700	17700	0.04	---

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares at the end of the year				% Change during the year
	Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1360416	20780	1381196	2.99	1648155	20780	1668935	3.62	0.63
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs.2 Lakh	10643443	2462587	13106030	28.429	99317412439	8712370928	26.82	-1.60	
ii) Individual shareholders holding nominal share capital in excess of Rs.2 Lakh	3135683	---	3135683	6.80	3345666	---	3345666	7.25	0.45
c) Others (specify)									
Clearing Members	12063	---	12063	0.03	18648	---	18648	0.04	0.01
HUF	831430	32	831462	1.80	1028467	32	1028499	2.23	0.43
NRI	294286	38100	332386	0.72	328444	37600	366044	0.80	0.08
Trusts	2838	1000	3838	0.01	2938	1000	3938	0.01	---
Employees	---	8305	8305	0.02	---	8305	8305	0.02	---
Sub-total (B)(2)	16280159	2530804	18810963	40.79	16304059	2506904	18810963	40.79	---
Shareholding (B)=(B)(1)+(b)(2)	16289159	2539505	18828663	40.83	16313059	2515604	18828663	40.83	---
C. Shares held by Custodian for GDRs & ADRs	---	---	---	---	---	---	---	---	---
Grand Total (A+B+C)	43577939	2539504	46117443	100.00	43601839	2515604	46117443	100.00	---

(ii) Shareholding of Promoters

SL. No.	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered of total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered of total shares	
1.	27288780	59.17	---	27288780	59.17	---	---

(iii) Change in promoter's Shareholding : No Change

SL. No.	Name of Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
NIL					

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

SL. No.	Name of Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	For each of the top 10 share holders				
1.	Hitesh Ramji Javeri	627000	1.36	627000	1.36
2.	Niram Bang Financial Services Pvt.Ltd.	264242	0.57	264242	0.57
3.	Angel Fincap Private Limited	214830	0.47	207350	0.49
4.	Alphonsus Fernandes	207350	0.45	207350	0.45
5.	Tanvi Jignesh Mehta	214180	0.46	214180	0.46
6.	Suman Bang	113465	0.25	113465	0.25
7.	Anil Garg	---	---	96360	0.21
8.	Niraj Hareesh Shah	105327	0.23	105327	0.23
9.	Prakash Chandra Modi	100000	0.22	100000	0.22
10.	Simplex Properties & Trading Pvt.Ltd.	100000	0.22	100000	0.22

(v) Shareholding of Directors and Key Managerial Personnel

SL. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Mr. K. Ravikumar	---	---	---	---
2.	Mr.N.Suryanarayanan	---	---	---	---
3.	Mr. M. Jayasankar	---	---	---	---
4.	Dr. Enakshi Bhattacharya	---	---	---	---
5.	Mr.S.Chandramohan	---	---	---	---
6.	Mr. D. Balakrishnan	10000	0.02	10000	0.02
7.	Mr.V. Srinivasan				
8.	Mr.S.S.Arunachalam				

V. INDEBTENDNESS

Indebtedness of the Company Including interest outstanding/accrued but not due for payment

	Secured Loans Excluding deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	7,00.00	2,25.00	9,25.00
ii) Interest due but not paid	---	18.49	18.49
iii) Interest accrued but not due	9.59	----	9.59
Total (i+ii+iii)	7,09.59	2,43.49	9,53.08
Change in Indebtedness during the financial year			
i) Addition			
a. Principal	---	---	---
b. Interest accrued but not due	27.00	---	27
ii) Reduction			
a. Interest due but not paid	---	8.85	8.85
Net Change	27.00	(8.85)	(35.85)
Indebtedness at the end of the financial year			
i) Principal Amount	7,00.00	2,25.00	9,25.00
ii) Interest due but not paid	---	27.34	27.34
iii) Interest accrued but not due	36.59	---	36.59
Total	7,36.59	2,52.34	9,78.93

VI. Remuneration of Directors and Key Managerial Personnel

A.Remuneration of Managing Director, Whole Time Directors and / or Manager

SL. No.	Particulars of Remuneration	Mr.D.Balakrishnan Whole Time Director (`)	Total Amount (₹)
1.	Gross Salary		
	a.Salary as per provisions contained in section 17(1) of the Income Tax Act 1961		
	b. Value of perquisites u/s 17(2) Income Tax Act, 1961	22,29,060	22,29,060
	c.Profits in lieu of salary under section 17(3) Income Tax 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Enquiry	Nil	Nil
4.	Commission	Nil	
	- as % of Profit		
	- others specify	Nil	Nil
5.	Other please specify	Nil	Nil
	Total (A) Celling as per Act.	22,29,060	22,29,060

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors					Total Amount (₹)
Independent Directors	Mr. K. Ravikumar (₹)	Mr. N. Suryanarayanan (₹)	Mr. M. Jayasankar (₹)	Dr. Enakshi Bhattacharya (₹)	Mr. S. Chandra Mohan (₹)	
• Fees for attending board / Committee meetings	24,000	52,000	61,000	67,000	14,000	2,18,000
• Commission	---	---	---	---	---	---
• Others, please specify	12,000	18,000	19,000	21,000	5,000	75,000
Other Non Executive Directors	---	---	---	---	---	---
Total Management Remuneration	36,000	70,000	80,000	88,000	19,000	2,93,000
Overall ceiling as per the Act	NA	NA	NA	NA	NA	NA

C. Remuneration to key managerial personnel other than MD/Manager/WT

SL No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary (₹)	CFO (₹)	Total Amount (₹)
1.	Salary	12,77,594/-	11,65,320/-	24,42,914/-

VII. Penalties/ Punishments/Compounding of offences: Nil

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any (give details)
Penalty					
Punishment					
Compounding					
Other Officers in Default		NIL			
Penalty					
Punishment					
Compounding					

On behalf of the Board of Directors,

N. Suryanarayanan
Director
DIN 02282919

D. Balakrishnan
Whole Time Director & CEO
DIN: 02131242

M. Jayasankar
Director
DIN 00048351

S. Chandramohan
Director
DIN 00052571

May 29, 2019
Chennai



Form No. MR-3

SECRETARIAL AUDIT REPORT

FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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
SPEL Semiconductor Limited
5 CMDA Industrial Estate,
MM Nagar (Chennai)
PIN-603209

I have conducted the secretarial audit of the compliance of the applicable statutory provisions and adherence to good corporate practices by SPEL Semiconductor Limited an Integrated Circuits Assembly & Test Company. The Company has CIN L32201TN1984PLC011434 with Authorized capital of Rs.60,00,00,000 and paid up capital of Rs.46,13,25,280. The Company is listed with the Bombay Stock Exchange Limited possessing ISIN number NSDL&CDSL: NE253AD101119. SPEL is certified for ISO 9001:2000; ISO14000:2004&TS16948:2002

Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of SPEL Semiconductor Limited's 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, we hereby report that in my opinion, the company has, during the audit period covering its financial year ended on 31st March, 2019 complied with the statutory provisions listed here under and also 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 31st March, 2019 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulations) 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 there under to the extent of Foreign Direct Investment
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009. - **Not Applicable as the company has not issued any further capital under the regulations during the period under review**
 - d) The Securities and Exchange Board of India (Employees stock option Scheme and Employees Stock Purchase Scheme Guidelines, 1999; - **Not Applicable as the Company has not issued any stock option scheme during the financial year under review.**

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) regulation s 2008; - **Not Applicable as the company has not issued and listed any debt Securities during the financial year under review.**
- f) The Securities and Exchange Board of India (Registrars to an issue and Share transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; and - **Not Applicable as the Company has not delisted /proposed to delist its equity shares from any Stock Exchange during the financial year under review.**
- h) The Securities and Exchange Board of India (buyback of Securities) Regulations, 1998; - **Not applicable as the Company has not bought back I proposed to buy-back any of its securities during the financial year under review.**
- (vi) Any other Applicable Laws like
 - a) The Factories Act 1948
 - b) The Industrial Dispute Act 1947
 - c) The Payment of wages Act 1936
 - d) The Minimum Wages Act 1948
 - e) The Employees State Insurance Act , 1948
 - f) The Employees' Provident Fund and Miscellaneous Provision Act, 1952
 - g) The payment of bonus Act, 1965
 - h) The Payment of Gratuity Act, 1972
 - i) The Contract Labour Abolition Act 1970
 - j) The Maternity Benefit Act 1961
 - k) The Child Labour (prohibition and regulation Act 1986
 - l) The Industrial Employment (Standing Orders) Act 1946
 - m) The Employees' Compensation Act 1923(earlier known as Workman's Compensation Act 1923)
 - n) The Apprentice Act, 1961
 - o) The Equal Remuneration Act, 1976
 - p) The Employment Exchange (Compulsory Notification of Vacancies Act) 1956

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above except to the extent mentioned below:

1. The Company has engaged contract employees. The Registration Certificate is yet to be renewed as per The Contract Labour (Regulation & Abolition) Act -1970 and Rules 1975.
2. Maintenance of Registers
 - i) The Various Registers which has to be maintained under various acts such as,
 - ii) The Payment of Wages Act 1936 and Tamil Nadu Rule 1937,
 - iii) The Minimum Wages Act 1948 and Tamil Nadu Rule 1953,
 - iv) The Tamil Nadu Labour Welfare Fund Act 1972 and Rules 1973
 - v) The Payment of Bonus Act 1965 and Rules 1975 has not been maintained.
3. Monthly Contribution remittance under the acts, The Employees Provident Funds and Miscellaneous Provisions Act 1952 and The Employees State Insurance Act 1948 has not been remitted before due dates.
4. Various abstract and notices which has to be displayed under several acts such as
 - The Industrial Employment (Standing Orders) Act 1946 and Tamil Nadu rules 1953
 - The Maternity Benefit Act 1961 and rules 1963
 - The Employee Compensation Act - 1923 and Tamil Nadu Workmen Compensation Rules, 1934.

5. The various Notices like : Notice of opening, Notice of Change and Notice of Payment of Gratuity are not available as per The Payment of Gratuity Act 1972 & Payment of Gratuity (Tamil Nadu) Rules, 1972.

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

- (i) Secretarial Standards with regard to Meeting Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI);
- (ii) The Listing agreements entered into by the company with BSE

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above except to the extent mentioned below :

The Company has paid a penalty of Rs. 5,81,941 for regulation 31 as per SEBI (LODR) Act Under The Companies Act 2013

I further report that :-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director.
- Adequate notice is given to all Directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent generally seven days in advance.
- 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 of the Board and Committees were carried with requisite majority.

I further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), I am of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:-

As informed, the Company has responded appropriately to notices received from various statutory /regulatory authorities including initiating actions for corrective measures, wherever found necessary

I further report that according to information received and examination of the records in respect of statutory dues it is observed that the company is not regular in depositing undisputed provident fund, employee state insurance, GST, service tax and income tax (TDS) and property dues, during the year. The statutory dues were not remitted within the due dates mentioned under their respective due dates.

The other laws as may be applicable specifically to the company which are mentioned in clause (vi) under any other laws; I hereby report that it is based on the reports of the heads of the department of the factories and the compliance reports made by the occupier of the factories submitted to the Board of Directors of the Company.

I report that the company has substantially complied with the provisions of those acts that are applicable to the companies having factories which manufacture Integrated Circuits based on the information, explanations and management representation.

The company has substantially complied with the tax laws applicable to the company except to the extent mentioned above.

I further report that

Subject to my observations the Board of Directors of the Company in general is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

I further report that during the audit period the instances of violations and non compliances mentioned above may result in attracting penal provisions which are severe in nature and for the company there is a contingency that it may have to pay penalties.

Date: 15.05.2019
Place: Chennai

Signature
Sd/-
T. Balasubramanian
FCS: 7987
CP No: 3402

This report is to be read with our letter of even date which is annexed as Annexure A which forms an integral part of this report

Annexure A

To

The Members

SPEL Semiconductor Limited
5 CMDA Industrial Estate,
MM Nagar (Chennai)
PIN-603209

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure the correct facts as reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the company.
4. Wherever required, we 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. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature

Sd/-

T. Balasubramanian

FCS: 7987

CP No: 3402

Date: 15.05.2019

Place: Chennai

Report on Corporate Governance

Pursuant to Regulation 34(3), 53(f) & Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, a Report on Corporate Governance is given below.

1. Company's philosophy on Code of Governance

The Company's policy and practice of Corporate Governance is to proactively meet its obligations to its Shareholders and earn the goodwill of all its Stakeholders.

SPEL seeks to enhance the long-term Shareholders and elevate the interest of its Stakeholders espousing good governance, sincerity, integrity, fairness and transparent accountability in all its dealings. Sound Corporate Governance is the keystone of the Company's arch. SPEL was wedded to the standards even before these became mandatory and strives incessantly to improve on these. The results of good Corporate Governance practices are reflected in confidence reposed by various Stakeholders.

2. Board of Directors

Composition: The present strength of the Board as on the date of this report is 6 Directors. The Board comprises a combination of Executive and Non-executive Directors.

Composition of Board of Directors, their other Directorships and Committeeships is depicted hereunder :

Name and Designation	Executive / Non-Executive Independent / Promoter	No. of Board Meetings of the Company		No. of other Boards in which he / she is a Director or Chair-person*	No. of other Board Committee(s) in which he/ she is a Member or chairperson**	Attendance at last AGM (Yes/ No)
		Held during the year	Attended during the year			
Mr. K. Ravikumar Director	Non-Executive Independent	4	3	3	6	Yes
Mr. N. Suryanarayanan Director	Non-Executive Independent	4	3	-	-	Yes
Mr. M. Jayasankar Director	Non-Executive Independent	4	4	-	-	Yes
Dr. Enakshi Bhattacharya Director	Non-Executive Independent	4	4	1	-	Yes
Mr. S. Chandramohan Additional Director	Non-Executive Independent	4	1	-	-	No
Mr. D. Balakrishnan Whole Time Director & CEO	Executive	4	4	1	-	Yes

* Excluding interest in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

** Includes Chairmanship / Membership of the Audit Committee and the Stakeholders' Relationship Committee only.

During the year ended Mar 31, 2019 Four (4) Board Meetings were held on May 29, 2018, Aug 9, 2018, Nov 14, 2018 & Feb 11, 2019

3. Composition of various Board Committees

Name of the Committee	Name of Directors	Category
Audit Committee	Mr. N. Suryanarayanan Mr. S. Chandramohan Dr. Enakshi Bhattacharya	Chairman Member Member
Stakeholders Relationship Committee	Mr. M. Jayasankar Dr. Enakshi Bhattacharya Mr. D. Balakrishnan	Chairman Member Member
Nomination and Remuneration Committee	Mr. S. Chandramohan Mr. N. Suryanarayanan Dr. Enakshi Bhattacharya	Chairman Member Member

4. Board and Committee functioning

a. Board Meetings

1. The Board meetings are generally held in Chennai with the majority of Directors present at each meeting.
2. The detailed Agenda with notes is circulated in advance and contains all the matters enshrined in Section 173 (3) of Companies Act, 2013.
3. Sufficient time is allocated for discussing items of business, more specifically on the operations front. There is also a detailed presentation made by the Chief Executive Officer.
4. The Board takes on record the Compliance confirmation from the Company Secretary at each meeting which contains the compliance status of all the applicable legislations to the Company. These are also reviewed by the Management at each of its meetings.

b. Audit Committee

The Audit Committee comprises a majority of Non-executive Independent Directors. Terms of reference of the Audit Committee includes a review of :

1. Financial statements before submission to the Board
2. Draft financial statements and Auditors' Report before submission to the Board
3. Accounting Policies and Practices
4. Risk Management Policies and Practices
5. Compliance with Stock Exchange and legal requirements concerning financial statements
6. Related Party Transactions
7. Recommendation of appointment of Auditors and fixing their fees
8. To review the Internal Control Systems and Internal Audit Reports and their compliance thereof Five Audit Committee Meetings were held on May 29, 2018, Aug 9, 2018, Nov 14, 2018, Feb 11, 2019 & Mar 16, 2019

Names of the Directors	No. of Audit Committee Meetings attended
Mr. N. Suryanarayanan	4
Mr. M. Jayasankar	4
Dr. Enakshi Bhattacharya	5
Mr. S. Chandramohan	1

c. Nomination and Remuneration Committee

The Committee advises the Broad Policy for remuneration, terms of employment and any changes, including service contracts of Executive and Non-Executive Directors and supervises the Employee Stock Option Scheme (ESOS).

Details of Remuneration paid to Directors

(Amount in ₹)

Remuneration paid during the year 2018-19					
S.No.	Names of Directors	Salary / Special allowance/ Perquisites	Commission / Bonus / Incentive	Sitting fees	Total
1.	Mr. K. Ravikumar	NA	NA	24,000/-	24,000/-
2.	Mr. M. Jayasankar	NA	NA	61,000/-	61,000/-
3.	Dr. Enakshi Bhattacharya	NA	NA	67,000/-	67,000/-
4.	Mr. N. Surya Narayanan	NA	NA	52,000/-	52,000/-
5.	Mr. S. Chandra Mohan	NA	NA	14,000/-	14,000/-
6.	Mr. D. Balakrishnan	22,29,060/-	NA	NA	22,29,060/-

Nomination and Remuneration Committee decides on the remuneration of the Whole-time Director and the Chief Executive Officer. The Committee takes into account the general market trend pertaining to the industry viz., the rules of the Company.

Remuneration Policy

The following is the remuneration policy of Directors :

Remuneration to Whole Time / Executive / Managing Director, KMP and Senior Management Personnel :

a) Fixed Pay

The Whole Time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee.

b) Minimum Remuneration

If, any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole Time Director in accordance with the provisions of schedule V of the Act and it is not able to comply with such provisions, with the previous approval of the Central Government.

Remuneration to Non-executive / Independent Director

i. Remuneration / Commission

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Companies Act.

ii. Sitting Fees

The Non-executive / Independent director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the central government from time to time.

d. Stakeholders Relationship Committee

- The Stakeholders Relationship Committee comprises a majority of Independent Non-Executive Directors. Dr. Enakshi Bhattacharya is the Chairperson of the Committee.
- The Table below shows the nature of complaints received from Shareholders during 2018-19:

S.No.	Nature of Complaint	No. of Complaints Received	Attended	Pending
1.	Non- Receipt of share certificates after transfer & others	-	-	-

c. Disclosure on the delegated authority constituted for attending share transfer work

SL. No.	Description of delegated authority	Full address of delegated authority	Telephone No.(s)	Fax No.(s)	E-mail	Average intervals at which share transfers approved
1.	Company Secretary & Compliance Officer	5 CMDA Industrial Estate, MM Nagar (Chennai) 603 209.	(044) 47405490	(044) 47405303	investors@spel.com	15 Days
2.	Cameo Corporate Services Limited	"Subramanian Building" 1 Club House Road, Chennai 600002	(044) 28460390	(044) 28460129	investor@cameoindia.com	

d. Four Stakeholders Relationship Committee Meetings were held on May 29, 2018, Aug 9, 2018, Nov 14, 2018 & Feb 11, 2019

Names of the Directors	No. of Audit Committee Meetings attended
Mr. M. Jayasankar	4
Dr. Enakshi Bhattacharya	4
Mr. N. Suryanarayanan	3

5. General Body Meetings

Details regarding venue, date, and time of last three AGM's.

Sl. No.	Financial Year	Details of Location	Date & Time when held
1.	2015 - 2016	5 CMDA Industrial Estate, Maraimalai Nagar 603 209	Jul 30, 2016 4.00 pm
2.	2016 - 2017	5 CMDA Industrial Estate, Maraimalai Nagar 603 209	Sep 7, 2017 3.30 pm
3.	2017 - 2018	5 CMDA Industrial Estate, Maraimalai Nagar 603 209	Sep 27, 2018 3.30 pm

Special Resolutions passed in the previous 3 AGMs :

- 31st AGM : 1. Issue of Non-convertible Debenture on private placement
2. Borrowing Powers of the Board
3. To sell / lease or dispose of the part or the whole of the undertaking of the Company
4. To consider making disinvestment in equity share of the wholly owned subsidiary i.e. SPEL-Us
- 32nd AGM : Nil
- 33rd AGM : Nil
- Postal Ballot : The Company has not made use of the Postal Ballot during the year

6. Disclosures

- No transaction of material nature has been entered into by the Company with related parties i.e. Directors or Management, their subsidiaries or relatives that may have potential conflict with the interests of the Company at large.
- The Board duly authorized all transactions with the Companies in which the Promoters or Directors or the Management, their subsidiaries or their relatives are deemed to be interested.
- There were no instances of non-compliance by the Company, on any matter related to capital markets during the last three years. Further, there has been no penalty, and stricture imposed on the Company by Stock Exchanges or SEBI or any statutory authorities against the Company.
- The Company has a Whistle Blower policy, wherein the Employees enjoy access to report of the Audit Committee
- All the mandatory requirements have been complied by the Company and also adopted some of the non-mandatory requirements of this clause.

7. Means of Communications

Financial results of the Company are published in Trinity Mirror and Makkal Kural. The results are also displayed in URL, namely www.spel.com. The Company does not display official news releases. Company has not made presentations to Institutional Investors or to the Analysts.

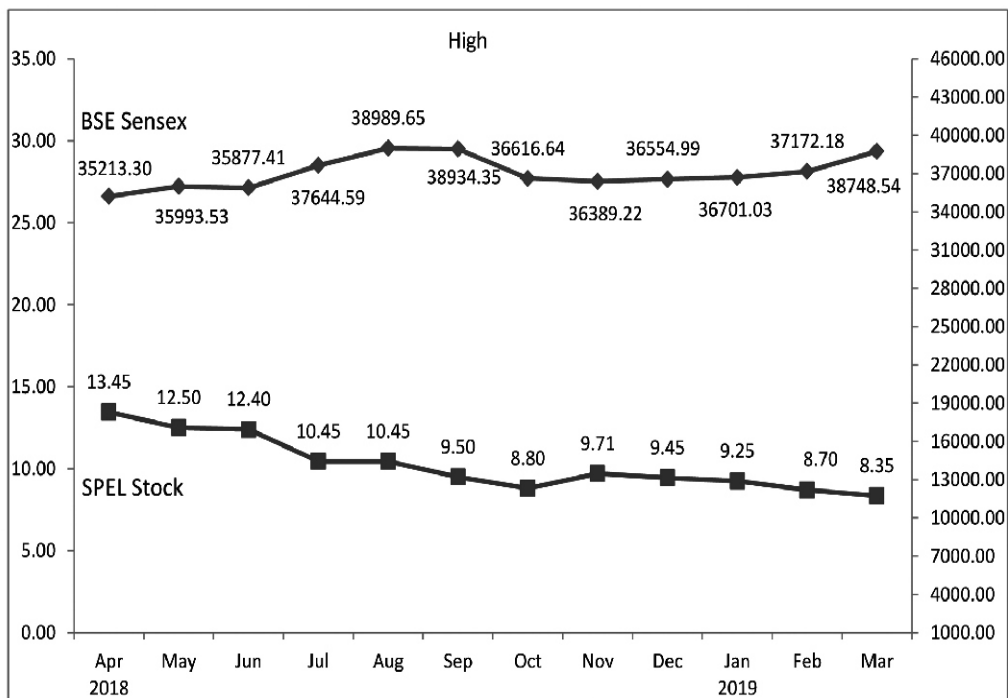
8. General Shareholder Information

- Annual General Meeting
(as indicated in the notice) : Sep 28, 2019 at Registered Office of the Company
- Financial year : 2018 -2019
- Dates of Book Closure : Sep 22, 2019 to Sep 28, 2019
- Listed on Stock Exchange : The Bombay Stock Exchange Limited (BSE)
Stock Code: Demat - 517166, Physical - 17166
- ISIN Number NSDL & CDSL : INE 252A01019
- Outstanding GDR/ADR/Warrants
or any convertible instruments : No
- Registrar & Share Transfer Agent : Cameo Corporate Services Limited
- Address for. Communication :
 - Company Secretary
SPEL Semiconductor Limited
5 CMDA Industrial Estate
MM Nagar (Chennai) 603 209 India.
 - Cameo Corporate Services Limited
Subramanian Building, 1 Club House Road
Chennai 600 002
- Share transfer System : All transfer requests received are processed and approved by an Authorized Signatory. Normally transfers are processed and approved twice a month.
- Factory Location : 5 CMDA Industrial Estate, MM Nagar
(Chennai), 603 209. India.

9. Distribution of Shareholding as on Mar 31, 2019

Category	No. of Folios	No. of Shares	%
Promoter & Promoter Group	5	27288780	59.17
Overseas Corporate Bodies	1	9000	0.02
Mutual Funds	2	8600	0.02
Nationalized Banks	2	1600	0.00
Non-Resident Indians	179	348640	0.76
Domestic Companies	269	1392633	3.02
Resident Individuals	27016	15931701	34.54
Clearing Members	5	7601	0.02
Hindu Undivided Families	476	1124950	2.44
Trusts	4	3938	0.01
Total	27959	46117443	100.00

10. Stock Performance V/s BSE Sensex



11. Market Price Data High & Low, Trading volume and no. of trades during each month for FY 2018-19

Month	High	Low	Trading Volume (No. of Shares in Lakhs)	No. of Trades
Apr 2018	13.45	11.05	2.82	624
May	12.50	9.62	2.48	689
Jun	12.40	8.51	2.38	984
Jul	10.45	8.02	1.85	723
Aug	10.45	8.76	2.61	763
Sep	9.50	8.15	2.37	506
Oct	8.80	6.76	0.89	424
Nov	9.71	7.89	1.08	575
Dec	9.45	7.02	1.57	659
Jan 2019	9.25	7.53	1.55	894
Feb	8.70	6.56	1.53	862
Mar	8.35	6.52	1.47	576

12. Accounting Standards

Your Company is in compliance with Accounting Standards and Accounting Rules in preparation of its financial statements.

13. CEO/CFO Certification

A Certificate of the CEO and CFO of the Company in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter alia, confirming the correctness of the financial statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

14. Non - Mandatory Requirements

- The Company has appointed a third party Firm as the Internal Auditors.
- Nomination and Remuneration Committee : The Company has a Nomination and Remuneration Committee detailed in this report
- Whistle Blower Policy : The Company has a mechanism for Employees to report to the Management concerns about unethical behaviour, actual or suspected fraud or violations of the Company's Code of Conduct or Ethics Policy and the existence of said mechanism was appropriately communicated within the organization.

Chief Executive Officer's Declaration on Code of Conduct

(As per Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of SPEL Semiconductor Limited

This is to certify that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management for the period ended Mar 31, 2019.

Date : May 29, 2019

Place : Chennai

For SPEL Semiconductor Limited

D. Balakrishnan
Chief Executive Officer



Chief Executive Officer / Chief Financial Officer Certification

CEO/CFO Certification Pursuant to Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors

SPEL Semiconductor Limited

5 CMDA Industrial Estate,

MM Nagar (Chennai)

PIN-603209

We, D. Balakrishnan, Director & Chief Executive Officer and V. Srinivasan, Chief Financial Officer of the Company do solemnly certify that :

- a. We have reviewed the financial statements for the year and that to the best of our knowledge and belief that :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- b. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct except non-payment of the following :
 - i. Income-tax Deducted at Source (Part payment made for FY 2018-19)
 - ii. Gratuity
 - iii. Service Tax
 - iv. GST
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee :
 - i. significant changes in internal control during the year
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system

Date : May 29, 2019

Place : Chennai

V. Srinivasan
Chief Financial Officer

D. Balakrishnan
Whole Time Director & CEO

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF

SPEL SEMICONDUCTOR LIMITED

1. We have examined the compliance of conditions of Corporate Governance by SPEL **SEMICONDUCTOR LIMITED** ("the Company"), for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations").

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2019.
8. We 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.

K.Nandhiswaran, F.C.A., F.C.S.,

Chartered Accountant

Membership No.207644

May 29,2019

Chennai.

INDEPENDENT AUDITOR'S REPORT

To The Members of SPEL SEMICONDUCTOR LIMITED
Report on the Abridged Ind AS Financial Statement

The accompanying abridged Ind AS financial statements of **SPEL SEMICONDUCTOR LIMITED** ('the Company'), which comprise the abridged Balance Sheet as at 31 March 2019, the abridged Statement of Profit and Loss (including Other Comprehensive Income), the abridged Statement of Cash Flows and the abridged Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and related notes, are derived from the audited Ind AS financial statements of the Company for the year ended 31 March 2019. We expressed a modified opinion on those financial statements vide our report dated May 29, 2019.

The abridged Ind AS financial statements do not contain all the disclosures required by the Indian Accounting Standards (Ind AS) referred to in Section 133 of the Companies Act, 2013 ("the Act") and accounting principles generally accepted in India, applied in the preparation of the audited Ind AS financial statements of the Company. Reading the abridged Ind AS financial statements, therefore, is not a substitute for reading the audited Ind AS financial statements of the Company.

Management's Responsibility for the Abridged Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of summary of the audited Ind AS financial statements in accordance with first proviso to Section 136(1) read with Rule 10 of Companies (Accounts) Rules, 2014 (as amended) and are based on the audited Ind AS financial statements for the year ended 31 March 2019, prepared in accordance with Indian Accounting Standards referred to in Section 133 of the Act, and accounting principles generally accepted in India

Auditor's Responsibility

Our responsibility is to express an opinion on the Abridged Ind AS financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the Abridged Ind AS financial statements, prepared in accordance with first proviso to section 136(1) of the act read with Rule 10 of the Companies (Accounts) Rules, 2014(as amended) are derived from the audited Ind AS financial statements of the Company for the year ended 31 March 2018 are a fair summary of those Ind AS financial statements. We have given a qualified opinion regarding Going Concern in our report dated May 29, 2019 on the audited Ind AS financial statements which is also applicable to the abridged Ind AS financial statements.

Our qualified opinion is based on the Company incurring losses during the year and preceding years, generating negative cash flows and has not been meeting its obligations all of which indicate existence of material uncertainty in the Company's ability to continue as a going concern for a reasonable period of time. The financial Statements do not include any adjustments that might result had the above uncertainties been known

K.Nandhiswaran, F.C.A., F.C.S.,

Chartered Accountant
Membership No.207644
May 29.2019
Chennai.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SPEL SEMICONDUCTOR LIMITED

Report on the audit of the Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Ind AS Financial Statements of SPEL SEMICONDUCTOR LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and a summary of the 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, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid Ind AS 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, 2019, and its loss for the year ended on that date.

Basis for Qualified Opinion

The Company has incurred losses during the year and preceding years, generated negative cash flows and has not been meeting its obligations all of which indicate existence of a material uncertainty in the Company's ability to continue as a going concern for a reasonable period of time. The Ind AS financial Statements do not include any adjustments that might result had the above uncertainties been known.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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.

Key Audit Matter Description	Response to Key Audit Matter
<p>A. Revenue Recognition</p> <p>Reference may be made to Note 1B.2 of significant accounting policies and Note 2.1 and 3.5 to the financial statements of the Company.</p> <p>During the year, on account of adoption of new revenue standard Ind AS 115 Revenue from Contracts with Customer, there have been changes in revenue recognition policy with regards to timing of recognition and related disclosures.</p> <p>Revenue recognition is inherently an area of audit risk, which we have substantially focused.</p> <p>Considering the above impact of Ind AS 115 is a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>audit procedures relating to revenue comprised of test of controls and substantive procedures including the following:</p> <ol style="list-style-type: none"> We assessed whether the policy of recognizing revenue was in line with Ind AS 115. We performed procedures to assess the design and internal controls established by the management and tested the operating effectiveness of relevant controls related to the recognition of revenue. Selected a sample of sale orders , and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. We have tested, on a sample basis, whether specific revenue transactions around the reporting date has been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation, including goods delivery notes, customer acknowledgement / proof of acceptance and the terms of sales. We tested journal entries on a sample basis to identify any unusual or irregular items. We also considered the adequacy of the disclosures in Company's financial statements in relation to Ind AS 115 and were satisfied they meet the disclosure requirements. <p>Conclusion</p> <p>Based on the procedures performed above, we did not find any material exceptions with regards to adoption of Ind AS 115.</p>

Key Audit Matter Description	Response to Key Audit Matter
<p>B. Inventory valuation</p> <p>Reference may be made to Note 1B.11 of significant accounting policies and Note 1.5 to the financial statements of the Company.</p> <p>The valuation of raw material, stores and consumable items held for production and work-in-progress have been an area of our focus in view of loss incurred and the inability to have operating margins.</p> <p>Valuation of Inventory in accordance with Ind AS 2 has thus been considered as a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures comprised of the following:</p> <ol style="list-style-type: none"> We have verified the maintenance of stock records with respect to raw materials, stores and consumable items and work-in-progress on test basis. Inventory has being verified physically by management at year end and no material discrepancies have been reported that need to be dealt with in the books of account. We have selected a sample of items of Raw materials and stores and consumable items held for production to check whether the rate per unit adopted for valuation is reflective of the last purchase rate (realizable price). We have test checked the valuation of work-in progress to ensure its reasonableness. <p>Conclusion:</p> <p>Based on the procedures performed above, we have concluded that management has complied with the requirements of Ind AS “Inventories”.</p>
<p>C Actuarial valuation</p> <p>Reference may be made to Note 1B.5 of significant accounting policies and Note 3.2 to the financial statements of the Company.</p> <p>There is a risk of material misstatement relating to the judgements made in valuing the defined benefit obligation including the use of key assumptions specifically the discount rate, life expectancy and inflation level. These variables can have a material impact in calculating the quantum of the retirement benefit liability.</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures comprised of the following:</p> <ol style="list-style-type: none"> We determined whether the key assumptions are reasonable. External actuaries were engaged to determine the amount of pension provisions. We assessed the competence, capabilities and objectivity of the experts, gained an understanding of their work and the suitability of the results as audit evidence for the relevant assertions. We examined the data made available to the experts for completeness and accuracy and gained an understanding of the process to determine the calculation and inputs used. <p>Conclusion</p> <p>Based on the procedures performed above, we did not find any material exceptions with regards to the use of assumptions and actuarial valuation</p>

Key Audit Matter Description	Response to Key Audit Matter
<p>C. Impairment in Trade Receivables</p> <p>Reference may be made to Note 1.6 to the financial statements of the Company.</p> <p>The Company is exposed to potential risk of financial loss when there is the risk of default on receivables from the customers for which the Management would make specific provision against individual balances with reference to the recoverable amount.</p> <p>For the purpose of impairment assessment, significant judgements and assumptions, including the credit risks of customers, the timing and amount of realization of these receivables, are required for the identification of impairment events and the determination of the impairment charge.</p>	<p>Principal Audit Procedures</p> <p>We have performed the following procedures in relation to the recoverability of trade receivables:</p> <ul style="list-style-type: none"> a) Tested the accuracy of ageing of trade receivables at year end on a sample basis b) Obtained a list of outstanding receivables and identified any debtors with financial difficulty through discussion with management. c) Assessed the recoverability of the outstanding receivables on a sample basis through our review of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers and latest correspondence with customers and to consider if any additional provision should be made; d) Tested subsequent receipt of trade receivables after the balance sheet date on a sample basis <p>Conclusion</p> <p>Based on the above procedures we found the key judgements and assumptions used by management in the recoverability assessment of trade receivables to be supportable based on the available evidence.</p>
<p>D. Non-Payment/delayed payment of Statutory Dues</p> <p>Company has not paid/delayed various undisputed statutory dues.</p> <p>Payment of statutory dues regularly and within time reflects on the health of the company apart from the need for us to report on issues of non-compliance to members.</p> <p>We have, therefore, considered payment of statutory dues as a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>We have performed the following list of audit procedures.</p> <ul style="list-style-type: none"> a. Obtained details of payment of various statutory dues to be paid by the Company. b. Evaluated the design of internal controls relating to compliance with statutory dues. c. Verified that whether company has been regular in payment of statutory dues. <p>Conclusion</p> <p>Based on the above procedures performed, we noted that the payment of statutory dues depended upon availability of funds and is being paid with applicable interest and delays noted are disclosed elsewhere in this report.</p>

Information other than the 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 and Shareholder's Information but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the Ind AS 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 accounting Standards 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

The 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 Ind AS 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 scepticism 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- ★ 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 Ind AS 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 Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 Ind AS 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 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 Section 143 (3) of the Companies Act, 2013, 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, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the relevant rules issued thereunder.
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.

(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 a modified 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 requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration other than applicable sitting fees has been paid by the Company to its directors during the year which is in accordance with and not in excess of the limits laid down under the said section.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements. (Refer Note 3.8a)
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2019.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

K.Nandhiswaran, F.C.A., F.C.S.,
Chartered Accountant
Membership No.207644
May 29, 2019
Chennai.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph I (g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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")

1. We have audited the internal financial controls over financial reporting of SPEL SEMICONDUCTOR LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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. 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.

Auditor's Responsibility

3. 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") issued by the Institute of Chartered Accountants of India and the Standards on

Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

4. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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.

Meaning of Internal Financial Controls Over Financial Reporting

6. 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 standalone Ind AS 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 standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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.

Qualified Opinion

8. According to information and explanation given to us and based on our audit the following material weaknesses have been identified as at March 31, 2019:
 - (i) The Company did not have appropriate internal control system for customer acceptance and establishing customer credit limit for sale which could potentially result in the Company recognizing revenue in the financial statements without establishing reasonable certainty of ultimate collection.
 - (ii) The Company did not have appropriate internal control system for appropriate internal control system for inventory with regard to material issued for production, consumed and remaining in stock out of the said issue ie line work-in-progress.
9. A material weaknesses is a deficiency or a combinations of deficiencies in internal financial control over financial reporting such that there is reasonable possibility that material misstatement of the company annual statements will not be prevented or detected on a timely basis.

10. In our opinion and to the best of our information and according to the explanations given to us expect for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained in all material respects, adequate internal financial controls over financial reporting and such internal financial controls of were operating effectively as of March 31, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by the Institute of Chartered Accountants of India.

11. We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit Of the March 31, 2019 financial statements of the Company and these material weaknesses do not affect our opinion on the financial statements of the Company.

K.Nandhiswaran, F.C.A., F.C.S.,
Chartered Accountant
Membership No.207644
May 29, 2019
Chennai.

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of SPEL SEMICONDUCTOR LIMITED ("the Company") for the year ended March 31, 2019)

(i) In respect of its fixed assets:

- a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets were physically verified by the Management during the year under a phased programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company, nature and value of its assets. According to the information and explanations given to us, no material discrepancies have been noticed during the year on such verification.

- c) The title deeds of immovable properties reflected in the books of the Company are held in the name of the company.
- (ii) In respect of its inventories as explained to us, the inventories have been physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments, provided guarantees, and security covered under provisions of section 185 and 186 of the Companies Act, 2013.
- (v) According to information and explanations given to us, the Company has not accepted any deposit from public during the year and there are no unclaimed deposits to which Section 73 to 76 and other relevant provisions of Companies Act, 2013 are applicable. For this purpose, the monies brought in by the promoters/ relatives as unsecured loans in pursuance of the stipulation of a bank, are not considered as deposits.
- (vi) In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under Section 148 of the Companies Act, 2013 are not applicable to the Company for the year under audit.
- (vii) According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:
 - a) The Company is not regular in depositing undisputed Provident Fund, Employee State Insurance, Income Tax (TDS), Service Tax, Goods and Service Tax (GST), Professional Tax and Property Tax during the year.
 - b) In respect of the above, delays were noticed in depositing undisputed Service Tax, Goods and Service Tax (GST), Income Tax, Professional Tax, Employee State Insurance with the appropriate authorities during the year and the arrears of such dues outstanding as at March 31, 2018 for a period of more than six months from the date they became payable are -

Nature of Dues	Amount (₹ in lakhs)
Service tax	24.05
Income tax	33.66
Tax deducted at Source	20.87
Professional Tax	13.67
Goods and Service Tax	98.03

- a) There are no dues of Sales Tax, Service Tax, Excise Duty, Customs duty and Value Added Tax which have not been deposited on account of any dispute. Details of dues towards Income Tax that have not been deposited as at March 31, 2019 on account of disputes are as stated below :

Name of the statute	Disputed dues (₹ In lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax	37.62	Assessment year 2005-06	Assessing Officer under Section 154
Income Tax	2.57	Assessment year 2006-07	Commissioner of Income Tax (Appeals)
Income Tax	406.27	Assessment year 2012-13	Commissioner of Income Tax (Appeals)

- (i) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and government and dues to debenture holders. There are no loans or borrowings from the financial institutions.
- (ii) According to the information and explanations given to us and the records of the Company examined by us, no monies were raised by way of initial public offer or further public offer (including debt instruments) and no term loans have been availed by the company during the year. Hence, the relative reporting requirements under the Order are not commented upon.
- (iii) To the best of our knowledge and belief, and according to the information and explanations given to us and considering the size and nature of the Company's operations, no fraud by the Company and no fraud of material significance on the Company by its officers or employees has been noticed or reported during the year.

- (iv) In our opinion and according to information and explanation given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (v) The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us the Company has complied with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (vii) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and, hence, reporting under clause (xiv) of the order is not applicable to the company.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with its directors or persons connected with him/her and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (ix) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

K.Nandhiswaran, F.C.A., F.C.S.,
Chartered Accountant
Membership No:207644
May 29, 2019
Chennai



SPEL Semiconductor Limited

Abridged Balance Sheet as at March 31, 2019

[Statement containing salient features of Balance sheet as per First proviso to Section 136(1) of the companies Act, 2013 and Rule 10 of Companies (accounts) Rules, 2014]

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
1. ASSETS		
(A) Non-current assets		
(a) Property, plant and equipment	12209.02	12635.54
(b) Intangible assets	0.98	1.37
(c) Financial Assets		
(i) Investments	-	-
(ii) Others	71.89	89.16
(d) Tax assets (net)	49.99	-
	<u>12331.88</u>	<u>12726.07</u>
(B) Current assets		
(a) Inventories	445.87	424.33
(b) Financial Assets		
(i) Trade Receivables	436.22	209.14
(ii) Cash and cash equivalents	0.89	0.47
(iii) Bank balances other than (ii) above	30.07	60.55
(iv) Others	43.86	868.79
(c) Other current assets	<u>3053.30</u>	<u>2700.32</u>
	4010.21	4263.60
TOTAL ASSETS	<u>16342.09</u>	<u>16989.67</u>
2. EQUITY AND LIABILITIES		
(1) Equity		
Equity Share capital	4613.25	4613.25
Other Equity	<u>3142.09</u>	<u>4090.24</u>
	7755.34	8703.49
(2) Liabilities		
(A) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1363.92	1317.75
(ii) Other financial liabilities	156.79	74.18
(b) Provisions	417.45	452.74
(c) Deferred tax liabilities (net)	2097.55	2247.42
(d) Other non current liabilities	<u>119.94</u>	<u>120.37</u>
	4155.65	4212.46
(B) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	868.69	1173.71
(ii) Trade payables	1586.83	1805.32
(iii) Others	1025.38	864.77
(b) Other current liabilities	870.73	205.70
(c) Provisions	<u>79.47</u>	<u>24.22</u>
	4431.10	4073.72
Current tax liabilities (net)		
	<u>4431.10</u>	<u>4073.72</u>
TOTAL EQUITY AND LIABILITIES	<u>16342.09</u>	<u>16989.67</u>

The accompanying notes form an Integral part of the Ind AS financial statements

For and on behalf of the Board

As Per our report of even date
K Nandhiswaran, F.C.A., F.C.S.,
 Chartered Accountant
 Membership Number: 207644

May 29, 2019
 Chennai

N.Suryanarayanan
 Director
 DIN : 02282919

S Chandramohan
 Director
 DIN : 00052571

M. Jayasankar
 Director
 DIN : 00048351

V. Srinivasan
 Chief Financial Officer

D. Balakrishnan
 Director & CEO
 DIN : 02131242

S.S. Arunachalam
 Company Secretary



SPEL Semiconductor Limited

Abridged Statement of Profit and Loss for the Year ended March 31, 2019

[Statement containing salient features of Statement of Profit and Loss as per First proviso to Section 136(1) of the companies Act, 2013 and Rule 10 of Companies (accounts) Rules, 2014]

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(I) Income		
(II) Revenue from operations	2633.74	4166.31
(III) Other income	486.10	233.70
Total Income (i+ii+iii)	3119.84	4400.01
(IV) Expenses		
Cost of materials consumed	899.84	1497.68
Changes in inventories of finished goods, stock-in-trade and work-in-progress	72.35	120.55
Excise duty on sale of goods		
Employee benefits expense	1255.61	1382.12
Finance costs	284.37	289.16
Depreciation and amortisation expense	514.81	630.57
Other expenses	1193.72	1446.82
Total Expenses (IV)	4220.70	5366.90
(V) Loss before exceptional items and tax	(1100.86)	(966.89)
(VI) Exceptional items	-	(133.47)
(VII) Loss before tax	(1100.86)	(833.42)
(VIII) Tax expense:		
Current tax Charge / (Reversed)	-	(40.73)
Deferred tax Charge/ (Reversed)	(27.28)	54.37
	(27.28)	13.64
(ix) Loss for the year	(1073.58)	(847.06)
(x) Other Comprehensive Income		
A (I) Items that will not be reclassified to Profit or Loss		
Remeasurement of Defined Benefit Plans	2.83	35.13
(ii) Income tax relating to items that will not be reclassified to Profit or Loss	-	-
Total Other Comprehensive Income	2.83	35.13
(xi) Total Comprehensive Income for the year	(1070.75)	(811.93)
Earnings per share (Face value Re.10 each) -		
-Basic & Diluted	(2.33)	(1.84)

The accompanying notes to Accounts form an Integral part of the Ind AS financial statements

For and on behalf of the Board

As Per our report of even date
K Nandhiswaran, F.C.A., F.C.S.,
Chartered Accountant
Membership Number: 207644

May 29, 2019
Chennai

N.Suryanarayanan
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Chief Financial Officer

D. Balakrishnan
Director & CEO
DIN : 02131242

S.S. Arunachalam
Company Secretary



Spel Semiconductor Limited

Abridged Cash Flow Statement for the year ended March 31, 2019

[Statement containing salient features of Cash flow statement as per First proviso to Section 136(1) of the companies Act, 2013 and Rule 10 of Companies (accounts) Rules, 2014]

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
A Net Cash flow (used in) Operating activities	401.78	(638.06)
B Net Cash flow from Investing activities	60.82	7,03.61
C Net Cash flow (used in) / from Financing activities	(462.18)	(618.47)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	0.42	(552.92)
Opening Cash and Cash Equivalents	0.47	5,53.39
Closing Cash and Cash Equivalents (Refer Note 1.7 (a) to the Ind AS Financial Statements]	0.89	0.47

The accompanying notes form an Integral part of the Ind AS Abridged financial statements

For and on behalf of the Board

As Per our report of even date
K Nandhiswaran, F.C.A., F.C.S.,
Chartered Accountant
Membership Number: 207644

N.Suryanarayanan
Director
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S Chandramohan
Director
DIN : 00052571

V. Srinivasan
Chief Financial Officer

S.S. Arunachalam
Company Secretary

May 29, 2019
Chennai



Spel Semiconductor Limited

Abridged statement of Changes in Equity for the year ended March 31, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

A. Equity Share Capital

	Balance at the end of March 31, 2019	Balance at the end of March 31, 2018
Equity Share Capital	4613.25	4613.25

B. OTHER EQUITY

As at March 31, 2019 As at March 31, 2018

Securities Premium Reserve	47.35	47.35
-----------------------------------	-------	-------

Retained Earnings

Balance as at the beginning of the year	4042.89	4854.62
Add : Current period loss	(1073.58)	(847.06)
Other Comprehensive Income arising from remeasurement of defined benefit obligation (net of tax)	2.83	35.13
Deferred tax	122.60	0.20
Balance as at the end of the year	<u>3094.74</u>	<u>4042.89</u>
Total	<u>3142.09</u>	<u>4090.24</u>

- a) Securities premium represents premium receiver on equity shares issued, which can be utilized only in accordance with the provisions of the Companies Act, 2013 for the specified purpose.

The accompanying notes form an Integral part of the Ind AS Abridged financial statements

For and on behalf of the Board

As Per our report of even date
K Nandhiswaran, F.C.A., F.C.S.,
Chartered Accountant
Membership Number: 207644

May 29, 2019
Chennai

N.Suryanarayanan
Director
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Director
DIN : 00048351

V. Srinivasan
Chief Financial Officer

D. Balakrishnan
Director & CEO
DIN : 02131242

S.S. Arunachalam
Company Secretary

Spel Semiconductor Limited

Notes to Abridged Ind AS Financial Statements for the year ended 31st March, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

1. Basis of Preparation

- a) The Abridged Ind AS Financial statements have been prepared on the basis of the complete set of Ind AS financial statements for the year ended March 31st 2018, in accordance with first proviso to Section 136(1) read with Rule 10 of Companies (Accounts) Rules, 2014. (as amended) The Ind AS financial statements have been prepared in accordance with Ind AS notified under the companies (Indian Accounting Standards) Rules, 2015,
- b) Complete Balance sheet, Statement of profit and Loss (including Other Comprehensive Income), the statement of cash flows, the statement of Changes in equity, other statements and notes thereto prepared as per the requirements of Division II to the Schedule III to the Act are available at the Company's website at link : www.spel.com. Copy of the financial statements is also available for inspection at the registered office of the Company during working hours for period of 21 days before the date of AGM.

2. DEFERRED TAX LIABILITIES (NET)

(Note 1.14 to the Ind AS Financial Statements)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Deferred tax liabilities	2,487.27	2,706.64
b) Deferred tax (assets)	(389.72)	(459.22)
	<u>2097.55</u>	<u>2247.42</u>

3. CURRENT FINANCIAL ASSETS - CASH AND BANK BALANCES

(Note 1.7(a) to the Ind AS Financial Statements)

Cash and Cash Equivalents

	As at March 31, 2019	As at March 31, 2018
i) Balances with banks in current account	0.36	0.20
ii) Cash on hand	0.53	0.27
	<u>0.89</u>	<u>0.47</u>
b) Other Bank Balances		
ii) Margin money deposits #	30.07	60.55
	<u>30.96</u>	<u>61.02</u>

Margin money deposits are given as security for opening letter of credit with banks and represents deposits with original maturity period more than 3 months.

Spel Semiconductor Limited

Notes to Abridged Ind AS Financial Statements for the year ended 31st March, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

4. REVENUE FROM OPERATIONS

(Note 2.1 of Ind AS Financial Statements)

	Year Ended March 31, 2019	Year Ended March 31, 2018
a) Sale of products		
- Export sales	2601.62	3727.62
b) Revenue from services	29.50	433.03
c) Other operating revenues		
- Scrap sales	2.62	5.66
	2633.74	4166.31

5. EXCEPTIONAL ITEMS

(Note 2.9 of Ind AS Financial Statements)

	Year Ended March 31, 2019	Year Ended March 31, 2018
b) Provision for inventory written back (Net) (Refer Note 2.9(a))	-	(166.81)
c) Inventory written off (Refer Note 2.9(b))	-	33.34
		(133.47)

(a) Provision for inventory written-back (net) in the previous year is based on the accounting policy for obsolete/non-moving inventory adopted from the transition date (April 1, 2016).

(b) Value of Inventory written off in previous year represents loss on settlement of insurance claim.

6. Contingent Liabilities

(Note 3.8 of the Ind AS Financial Statements)

	As at March 31, 2019	As at March 31, 2018
Claims against the Company not acknowledged as debts (net)		
i) Income tax demand (Refer Note 7(a) below)	446.47	446.47
ii) Letter of credit with bank	181.81	184.81

(a) These have been disputed by the Company on account of issues of applicability and classification. Future cash outflows in respect of the above are determinable only on receipt of judgement / decisions pending with various forums / authorities.

7. Commitments

(Note 3.9 of the Ind AS Financial Statements)

Nil	Nil
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Spel Semiconductor Limited

Notes to Abridged Ind AS Financial Statements for the year ended 31st March, 2019

(All amounts in ₹ Lakhs unless otherwise stated)

8. Segment Information

(Note 3.6 to the Ind AS Financial Statements)

The Company is principally engaged in a single business segment viz. Integrated circuits based on nature of products, risks, returns and the internal business reporting system, there is no other reportable segment in terms of Ind AS 108 "Operating Segments".

9. Related Party Disclosure

(Note 3.7 to the Ind AS Financial Statements)

a) List of Parties where control exists

Ultimate Holding Company

Natronix Semiconductor Technology Private Limited

b) Other Related Parties

(i) Fellow Subsidiary

Natronix Semiconductor Technology Private Limited

(ii) Key Managerial Personnel

Mr. D.Balakrishnan

CEO and Director

Mr.V Srinivasan

Chief Financial Officer

Mr. S S Arunachalam

Company secretary

c) Significant Related Party Transactions and Balances

March 31, 2019

March 31, 2018

a) List of parties where control exists Ultimate Holding company

- Natronix Semiconductor Technology Private Limited

(i) Business Promotion - Marketing fee

99.33

83.51

(ii) Trade payable (net)

309.58

225.47

b) Fellow subsidiaries

- Natronix Semiconductor Technology Limited

(i) Sale of goods

-

4.25

(ii) Trade receivable

0.37

0.37

c) Key management personnel

-Mr. D Balakrishnan, CEO and Director

(i) Remuneration

22.29

39.29

(ii) Payable

25.01

26.69

Mr.V.Srinivasan, Chief Financial Officer

(i) Remuneration

11.65

15.47

(ii) Payable

7.61

4.91

Mr S S Arunachalam, Company Secretary

(i) Remuneration

12.78

13.58

(ii) Payable

6.39

4.21

SPEL Semiconductor Limited
Notes to Abridged Ind AS Financial Statements

(All amounts in ₹ Lakhs unless otherwise stated)

9. Disclosures required under the Micro, Small & Medium Development Act, 2006

(Note 3.13 to the Ind AS Financial Statements)

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	2018-2019	2017-2018
The Principal amount (2018 -19 : 2.30, 2017-18 : 2.30) and the interest due (2018 -19 : 6.04, 2017-18 : 5.56) there on remain unpaid to suppliers at the end of each accounting year.	8.34	7.86
The amount of Interest paid by the buyer in terms of Section 16 of the Micro, Small and medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during the accounting year.	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	0.03
The amount of interest accrued and remaining unpaid at the end of each accounting year.	2.05	1.57
The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure u/s 23 of the Micro, Small enterprises Development Act,2006.	6.04	5.56

The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been indentified on the basis of information available with the Company.

10. The Company is facing the trend of declining top-line. The Company is engaged in-house technology upgradation in the process, thereby strengthening the efforts to bring in new products and improving Capacity utilization. The Company's brand image and capabilities are well acknowledged by customers who have a strong role in improving its top line and would generate commensurate cash accruals in the ensuing years. All the above efforts are supported by promoters who have infused funds to improve liquidity to settle obligations as and when they fall due. The Company, in preparing the financial statements on a going concern basis, has kept in view all the above said parameters of business. (Note 3.15 to the Ind AS Financial Statements)

11. The figures for the previous year have been reclassified / regrouped wherever necessary.

For and on behalf of the Board

As Per our report of even date
K Nandhiswaran, F.C.A., F.C.S.,
Chartered Accountant
Membership Number: 207644

May 29, 2019
Chennai

N.Suryanarayanan
Director
DIN : 02282919

S Chandramohan
Director
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M. Jayasankar
Director
DIN : 00048351

V. Srinivasan
Chief Financial Officer

D. Balakrishnan
Director & CEO
DIN : 02131242

S.S. Arunachalam
Company Secretary



SPEL Semiconductor limited

Registered Office : 5 CMDA Industrial Estate, Maraimalai Nagar (Chennai) 603 209

Attendance Slip

Members attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I here by record my presece at the 34th Annual General Meeting of the Company to be held at 3.30 pm on Saturday, Sep 28, 2019 at 5 CMDA Industrial Estate, Marimalai Nagar (Chennai) 603 209.

_____	_____
Full Name of the Member (in block letters)	Signature
Folio No : _____ DP ID No.* _____	Client ID No.* _____

*Applicable if Members holding shares in electronic form

_____	_____
Full Name of the proxy (in block letters)	Signature

Note : 1. Member/proxy holder wishing to attend the meeting must bring the attendance Slip to the Meeting.
2. Member / proxy holder desiring to attend the meeting should bring his copy of the Notice for reference tat the meeting.

SPEL Semiconductor Limited

Regd. Office : 5 CMDA Industrial Estate, Maraimalai Nagar (Chennai) 603 209

Telephone : 91 (44) 4740 5300, Website : www.spel.com, Email: info@spel.com.

CIN : L32201TN1984PLC011434

PROXY FORM

Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.

Name of the Member(s)	
Registered Address	
Folio No./Client ID	
E-mail ID	

I/We, being the Member(s) of _____ shares of the above named Company hereby appoint

1.	Name	Address :
	E-mail ID	Signature :
or falling him / her		
2.	Name	Address :
	E-mail ID	Signature :
or falling him / her		
3.	Name	Address :
	E-mail ID	Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company to be held on Saturday, Sep 28, 2019 at 3.30 pm at the Registered Office of the Company at 5, CMDA Industrial Estate, Maraimalai nagar (Chennai) 603 209 and at any adjournment thereof in respect of Such resolutions as are indicated below :



Resolution Number	Resolution	Vote (Optional see note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of Audited Financial Statements for the financial year ended Mar 31, 2019 and reports of the Board of Directors and the Auditors thereon			
2.	Re-appointment of Mr. K. Ravikumar as the Director, liable to retire by rotation.			
3.	Ratification of appointment of Mr. K. Nandhiswaran, Chartered Accountant, as Statutory Auditor of the Company.			
Special Business				
4.	Appointment of Mr. S. Chandramohan, as Independent Director.			
5.	Re-appointment of Mr. D. Balakrishnan, as Whole Time Director.			
6.	Renewal of Non-Convertible Debenture issued on Private Placement Basis and re-appointment of SBICAP Trustee Company Limited as the Trustee for Non-Convertible Debenture			

Signed this _____ day of _____ 2019.

Signature of Shareholder

Signature of proxy holder(s)

Affix One
Rupee
Revenue
Stamp

Notes :

1. This Form, In Order to be effective Should be duly Stamped, Completed, Signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/ she may deem appropriate.
3. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten percent (10%) of the total Share Capital of the Company. A Member holding more than ten percent (10%) of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy. However, such person shall not act for any other person or Shareholder.
4. Please provide your email ID, if it is not provided already.

Chenagalpattu – Tambaram Highway Road

Towards CMDA Industrial Estate

Maraimalai Nagar
Police Station

The HINDU
Print office

BSNL

Regional
Office



34th AGM venue of SPEL Semiconductor Ltd.

@Registered office

No.5 CMDA Industrial Estate

Maraimalai Nagar

Chennai 603209.



Registered Book - Post

34th Annual Report 2018 - 19

To



If undelivered, Please return to :

SPEL Semiconductor Limited

No.5 CMDA Industrial Estate,
MM Nagar (Chennai) 603 209. India