



SPEL Semiconductor Limited

an IC Assembly & Test Company

Dec 6, 2017

To,
The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001.

Kind Attn. Kind Attn. Mr. Prasad Bhide

Dear Sirs,

Sub: Unaudited Financial Results of the Company for the quarter ended Sep 30, 2017

Further to our letter dated Nov 24, 2017, we wish to inform you that at the Meeting of the Board of Directors of the Company held on Dec 6, 2017, the Board approved and taken on record the Unaudited Financial Results of the Company for the quarter ended Sep 30, 2017.

A copy of the aforesaid financial results is enclosed for your kind reference. Also, a copy of the publication of the said financial results will be sent to you immediately after the results are published in the newspapers.

Kindly acknowledge receipt.

Thanking you

Yours faithfully
for SPEL Semiconductor Limited

S. S. Arunachalam
Company Secretary & Compliance Officer

Encl: as above

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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF
SPEL SEMICONDUCTORS LIMITED**

1. We have reviewed the Unaudited Standalone Financial Results of **SPEL SEMICONDUCTORS LIMITED** ("the Company") for the quarter and six months ended September 30, 2017 ("the Statement"), being prepared and submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. Attention is drawn to the fact figures for the corresponding quarter and six months ended 30 September 2016 including reconciliation of net loss for the quarter and six months ended 30 September 2016 under Indian Accounting Standards ('IndAS') with net loss reported under previous GAAP as included in the Statement have not been subjected to limited review or audit and has been prepared solely based on the information compiled by the management.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. We have relied upon Management representation in respect of the following (i) quantity of 'Line WIP' (classified as Work in Progress) as at September 30, 2017 aggregating Rs.646.03 lakhs, in the absence of physical verification of such stocks during the six months ended that date and (ii) certain debts outstanding for more than six months as on September 30, 2017. in the absence of confirmation from the said customers.
4. Based on our review conducted as stated above and the consideration of the representations from Management referred to in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

M.S. Krishnaswami & Rajan
Chartered Accountants
Firm's Registration No. 01554S


M.S. Murali
Partner
Membership No. 26453
December 6, 2017
Chennai



STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2017.		₹ lakhs
Particulars	As at September 30, 2017	
	Unaudited	
A	ASSETS	
	Non-Current Assets	
(a)	Property, Plant and Equipment	13,068.61
(b)	Capital work-in-progress	2.73
(c)	Intangible Assets	2.15
(d)	Financial Assets	
	Others	84.39
(e)	Advance tax assets(net)	348.78
		13,506.66
	Current assets	
(a)	Inventories	1,069.44
(b)	Financial Assets	
	(i) Trade Receivables	2,566.58
	(ii) Cash and Cash equivalents	18.42
	(iii) Bank balances other than (ii) above	62.88
	(iv) Others	870.22
(c)	Other current assets	333.70
		4,921.24
	Total Assets	18,427.90
B	EQUITY AND LIABILITIES	
	Equity	
(a)	Equity share capital	4,613.25
(b)	Other equity	6,358.91
		10,972.16
	LIABILITIES	
	Non-Current Liabilities	
(a)	Financial Liabilities	
	Borrowings	1,548.78
(b)	Provisions	408.98
(c)	Deferred tax liabilities (Net)	1,823.80
(d)	Other non-current liabilities	211.52
		3,993.08
	Current liabilities	
(a)	Financial Liabilities	
	(i) Borrowings	902.32
	(ii) Trade payables	1,305.37
	(iii) Other financial liabilities	959.80
(b)	Other Current liabilities	244.96
(c)	Provisions	50.21
		3,462.66
	Total Equity and Liabilities	18,427.90



For SPEL Semiconductor Limited

D. Balakrishnan
D. BALAKRISHNAN
Director &
Chief Executive Officer

SPEL Semiconductor Limited						
Registered Office & Factory : 5 CMDA Industrial Estate, MM Nagar (Chennai) 603 209						
CIN: L32201TN1984PLC011434, eMail: info@spel.com website: www.spel.com						
UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2017						
						(Rs. lakhs)
S.No.	Particulars	Quarter Ended			Year to date ended	
		30-Sep-17	30-Jun-17	30-Sep-16	30-Sep-17	30-Sep-16
		Unaudited			Unaudited	
1	Revenue from Operations	1,142.61	1,174.31	908.70	2,316.92	1,714.79
2	Other Income	96.88	23.41	58.68	120.29	78.84
3	Total income (1+2)	1,239.49	1,197.72	967.38	2,437.21	1,793.63
4	EXPENSES					
	Cost of materials consumed.	366.97	441.66	366.03	808.62	603.06
	Purchases of Stock-in trade.	-	-	-	-	-
	Changes in inventories of finished goods and work-in-progress.	119.91	9.35	62.69	129.26	61.86
	Excise Duty expense	-	-	-	-	-
	Employee benefits expenses	340.51	350.32	334.60	690.83	673.33
	Finance costs	59.89	68.77	55.98	128.66	112.05
	Depreciation and amortisation expense	175.10	155.38	171.09	330.48	324.77
	Other expenses	229.17	309.49	222.35	538.66	487.62
	Total Expenses	1,291.55	1,334.97	1,212.74	2,626.51	2,262.69
5	Profit/ (loss) before exceptional items and tax (3-4)	(52.06)	(137.25)	(245.36)	(189.30)	(469.06)
6	Exceptional items	-	-	-	-	-
7	Profit/ (loss) before tax (5-6)	(52.06)	(137.25)	(245.36)	(189.30)	(469.06)
8	Tax expense:					
	(1) Current tax	(121.43)	-	-	(121.43)	-
	(2) Deferred tax	0.62	-	(29.61)	0.62	(59.21)
9	Profit/ (Loss) for the period from continuing operations (7-8)	68.75	(137.25)	(215.75)	(68.49)	(409.85)
10	Other Comprehensive Income					
A	(i) Items that will not be reclassified to profit and loss					
	Remeasurement of Defined benefits plan- Gain/(loss)	5.65	5.65	(1.79)	11.29	(3.59)
	(ii) Income tax relating to items that will not be reclassified to profit and loss	(1.74)	(1.74)	0.55	(3.49)	1.11
B	(i) Items that will be reclassified to profit and loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit and loss	-	-	-	-	-
	Total Other Comprehensive Income	3.91	3.91	(1.24)	7.80	(2.48)
11	Total Comprehensive Income for the period (9+10) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	72.66	(133.34)	(216.99)	(60.69)	(412.33)
12	Earnings per equity share of Rs. 10/- each: (not annualised) Basic and Diluted	0.15	(0.30)	(0.47)	(0.15)	(0.89)
13	Paid Up Equity Share Capital (Face Value Rs. 10/- each)	4,613.25	4,613.25	4,613.25	4,613.25	4,613.25
14	Networth				10,972.16	13,546.56
15	Paid up Debt Capital/Outstanding debt				1.00	1.00
16	Debt Equity Ratio				0.22	0.63
17	Debt Service Coverage Ratio				2.61	12.24
18	Interest Service Coverage Ratio				30.77	75.89

There are no discontinued operations during the period.



For SPEL Semiconductor Limited

D. Lalakrishnan
D. LALAKRISHNAN
Director &
Chief Executive Officer

- (1) The above unaudited standalone financial results were reviewed by the Audit Committee and then approved by the Board of Directors at its meeting held on December 06, 2017.
- (2) The Company has adopted Indian Accounting Standards ("Ind AS") from April 1, 2017 and accordingly above standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. The Ind AS compliant financial results for the corresponding quarter and six months ended 30 September 2016 have been stated in terms of the Circular no. CIR/CPD/FAC/62/2016 dated July 5, 2016. Accordingly and in terms of the same circular, the figures and reconciliation for March 31, 2017 have not been furnished.
- (3) The statutory auditors of the Company have carried out the limited review of the results for the quarter and six months ended 30th September 2017. The Ind AS compliant financial results for the corresponding quarter and six months ended 30th September 2016 has not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.
- (4) Segment Information:
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'.
- (5) Based on legal opinion the Company was liable to pay book profit tax u/s 115IB of Rs.52.94 lakhs for the year ended March 31, 2017 and the same has been charged to Statement of Profit and Loss. As a matter of prudence, credit for the same has not been accrued. Consequently, the current tax of Rs.121.43 lakhs provided in earlier year has been reversed.
- (6) Reconciliation of the financial results to those reported under the previous GAAP are summarised as follows:

Particulars	Three months ended September 30, 2016 (Rs. in lakhs)	Year to date ended September 30, 2016 (Rs. in lakhs)
Net profit/(loss) after Tax as per previous GAAP	(230.99)	(458.83)
Adjustments:		
Impact on depreciation due to Fair valuation of Property, Plant and Equipment.	(12.60)	(7.89)
Reclassification of actuarial (gains) /losses arising in respect of employees benefit schemes	(1.79)	(3.59)
Others		1.24
Tax Adjustments	29.63	59.21
Net profit/(loss) after Tax as reported under Ind AS	(215.75)	(409.85)
Other Comprehensive Income (net of tax)	(1.24)	(2.48)
Total Comprehensive Income as reported under Ind AS	(216.99)	(412.33)

- Notes:
- a. The Company has elected to measure its Property, plant and equipments at its fair value and has considered the said fair value as the deemed cost at the date of transition to Ind AS (April 1, 2016), as per 'Ind AS 101' First time adoption of Indian Accounting Standards'.
- b. Under previous GAAP, actuarial gains/losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains/losses forms part of the remeasurement of the net defined benefit liability/asset which is recognised in other comprehensive income. Additionally, the tax effect of the same has also been recognised in other comprehensive income as required by Ind AS.
- c. Consequent to the fair valuation of Property, Plant and Equipment (PPE) as at April 1, 2016, deferred tax liability arising out of adoption of Ind AS 12 'Income taxes' aggregating Rs.2376.39 lakhs has been recognised by charge to Retained earnings.
The reversal of deferred tax liability for the six months ended September 30, 2017 and September 30, 2016 pertaining to fair valuation of land has been recognised directly in equity since the initial recognition of deferred tax liability was by a charge to equity.
- (7) Share Capital includes 30,170 forfeited shares (Face Value ₹10/- paid up ₹5/-).
- (8) The Statement includes the results for the Quarter ended September 30, 2017 being the balancing figures between figures in respect of the half year ended September 30, 2017 and the published figures of the Company for the quarter ended June 30, 2017 and September 30, 2016 being the balancing figure in respect of the half year ended September 30, 2016 and the published figures of the Company for the quarter ended June 30, 2016.
- (9) The Company has adopted the formulae for computing items mentioned in Sl.no. 14,16,17 and 18 is given below

Ratio	Formula
(14) Network	Equity Share capital + Other Equity
(16) Debt Equity Ratio	Gross Total Borrowings/(Equity Share capital + Other Equity)
(17) Debt Service Coverage ratio	Profit from ordinary activities+ Interest charge on borrowings+Depreciation and amortisation expense-tax expense/(Interest expense on borrowings + principal repayments for borrowings)
(18) Interest Service Coverage ratio	Profit from ordinary activities+Interest charge on borrowings+Depreciation and amortisation expense/Interest expense on borrowings

- (10) As required by Listing Obligations and Disclosure Requirements 2015, given below are the details of non convertible debentures (NCD) pertaining to the company as on September 30, 2017.

NCD particulars	10% NCD	
Details of next principal repayments	Amount Rs. 700 lakhs	Due Date - 3rd July, 2019
Details of Asset cover ratio	2.58	
Details of last interest payment	Due Date 10th Sep, 2017	Status - Paid
Details of last principal payment	Not applicable	
Details of next interest payment	Due Date 10th Oct, 2017	Amount - Rs. 5.75 lakhs
Credit rating	CRISIL BB+	

- (11) The figures for the previous period have been reclassified/regrouped wherever necessary.



For SPEL Semiconductor Limited

D. Balakrishnan
D. BALAKRISHNAN
Director &
Chief Executive Officer