



Sep 10, 2018

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

**Kind Attn. Mr. Prasad Bhide**

Dear Sirs,

**Sub : Annual Report for FY 2017-18**

Further to our mail dated Sep 10, 2018, wherein we have attached Annual Report of the Company for FY 2017-18, please find attached the same for your kind information and records.

Kindly acknowledge receipt.

Thanking you

Yours faithfully  
For SPEL Semiconductor Limited

A handwritten signature in blue ink, appearing to read "S.S. Arunachalam". The signature is fluid and cursive, with a prominent initial "S" and "A".

S.S. Arunachalam  
Company Secretary & Compliance Officer

Encl: as above.



**SPEL Semiconductor Limited**  
*an IC Assembly & Test Company*

**33<sup>rd</sup> Annual Report**  
**2017-18**

*Defining The Future Through Partnerships*

## **SPEL Semiconductor Limited**

<b>Board of Directors</b>	<ol style="list-style-type: none"><li>1. Mr. K. Ravikumar Director</li><li>2. Mr. N. Suryanarayanan Director</li><li>3. Mr. M. Jayasankar Director</li><li>4. Dr. Enakshi Bhattacharya Director</li><li>5. Mr. D. Balakrishnan Whole Time Director &amp; CEO</li></ol>
<b>Chief Financial Officer</b>	Mr. V. Srinivasan
<b>Company Secretary &amp; Compliance Officer</b>	Mr. S. S. Arunachalam
<b>Auditors</b>	M. S. Krishnaswami & Rajan, GB, Anand Apartment, Ground Floor, JP Avenue, 6th Cross Street, Dr. Radhakrishnan Salai, Mylapore, Chennai 600 004.
<b>Registered Office &amp; Factory</b>	5 CMDA Industrial Estate, MM Nagar (Chennai) 603 209, India.
<b>Bankers</b>	Indian Overseas Bank
<b>Registrar &amp; Share Transfer Agents</b>	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)

	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Sales	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	81,00.26
PBIDT	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	21,15.28
Finance Cost	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	3,23.98
PBDT	(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	17,91.30
Depreciation	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	8,30.45
PBT	(8,33.42)	(32,07.94)	(23,62.34)	(48.40)	19.70	(5,72.06)	77.75	7,73.69	9,29.53	9,60.85
Tax Expense	13.64	(1,47.54)	(3,83.33)	(13.18)	(12.48)	(1,17.03)	20.81	3,20.71	3,18.69	3,37.31
PAT	(8,47.06)	(30,60.40)	(19,79.00)	(35.22)	32.18	(4,55.03)	56.94	4,52.98	6,10.84	6,23.54
Net Profit	(8,47.06)	(30,60.40)	(19,79.00)	(35.22)	32.18	(4,55.03)	56.94	4,52.98	6,10.84	6,23.54

## Contents

Sl.No.	Description	Page
1.	Notice of 33 <sup>rd</sup> Annual General Meeting	3
2.	Directors' Report	8
3.	Management Discussion & Analysis	18
4.	Extract of Annual Return	21
5.	Secretarial Audit Report	27
6.	Report on Corporate Governance	30
7.	Independent Auditors Report on the Abridged Ind AS Financial Statements	40
8.	Independent Auditors Report on the Ind AS Financial Statements	41
9.	Abridged Ind AS Financial Statements	47



## Notice

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting of the Members of SPEL Semiconductor Limited will be held at 3.30 pm on Thursday, Sep 27, 2018 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, 2018 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. D. Balakrishnan, who retires by rotation and being eligible, offers himself for re-appointment.

#### 3. Appointment of Auditors

“Resolved that pursuant to provisions of Section 139 of the Companies Act 2013, and Rules thereunder and subject to other statutory approvals, Mr.K.Nandhiswaran, Chartered Accountant, be and is hereby appointed as Statutory Auditor of the Company in the place of M.S.Krishnaswami & Rajan, Chartered Accountants, the retiring Auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the 5th consecutive AGM and that Board of Directors be and is hereby authorized to fix such remuneration as may be determined in consultation with the Auditors.

### Special Business

#### 4. Appointment of Mr. N. Suryanarayanan 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. N. Suryanarayanan, (holding DIN 02282919), a 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 appointment as an Independent Director of the Company with effect from Feb 8, 2018 and upto Feb 7, 2023, not liable to retire by rotation.”

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

#### Item No.4

Mr. N. Suryanarayanan was appointed as Additional Director of the Company by the Board of Directors at its Meeting held on Feb 8, 2018 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. N. Suryanarayanan is given herein for the information of Shareholders.

Mr. N. Suryanarayanan, aged about 60 years is a Chartered Accountant and has held various senior positions in several Companies during his long career spanning over 3 decades. He was associated with Companies such as Hindustan Unilever Limited, Tata Industries



Limited and Lucas TVS Limited. During the latter part of his career, he was with SRF Limited as Vice President, Finance in their Headquarters in Delhi.

He has also been with a leading Petrochemical Company in Chennai as CFO. He is currently on the Board of various Companies in Polyhose Group.

In the opinion of the Board, Mr.N. Suryanarayanan 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. N. Suryanarayanan as Independent Director is placed before the Members in the General Meeting for approval.

The Board recommends the election of Mr. N. Suryanarayanan 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. N. Suryanarayanan as Director of the Company along with a deposit of ₹ 1,00,000/-.

Except Mr. N. Suryanarayanan, 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.

By order of the Board  
for SPEL Semiconductor Limited

D. Balakrishnan  
Whole Time Director & CEO  
DIN: 02131242

Chennai  
May 29, 2018

#### Notes

1. Details required under Listing Agreement with the Stock Exchanges, 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 21, 2018 to Sep 27, 2018 (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 33<sup>rd</sup> Annual General Meeting and full Annual Report will be available on the Company's website [www.spel.com](http://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 e-Mail ID : [investors@spel.com](mailto: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 24, 2018 and ends at 5.00 pm on Sep 26, 2018. During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Sep 20, 2018, 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](http://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](http://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"> <li>✦ 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.</li> <li>✦ 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.</li> </ul>
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"> <li>✦ 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).</li> </ul>

- 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 out print 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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open 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

Chennai  
May 29, 2018

#### Annexure

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

Name of the Director	Mr. D. Balakrishnan	Mr. N. Suryanarayanan
Date of Birth	Dec 8, 1963	Nov 7, 1957
Date of Appointment	Jun 19, 2014	Feb 8, 2018
Qualification	Degree in Engineering (Electronics & Communication) from Bangalore University.	Chartered Accountant
Expertise in Specific functional areas	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 held various senior positions in several Companies during his long career spanning over 3 decades. He was associated with Companies such as Hindustan Unilever Limited, Tata Industries Limited and Lucas TVS Limited. During the latter part of his career, he was with SRF Limited as Vice President, Finance in their Headquarters in Delhi.
Chairmanship / Directorship of other Companies (excluding Foreign Companies and Section 25 Companies)	—	Polyhose India (P) Ltd Polyhose India Rubber (P) Ltd Vector Hydraulics (P) Ltd Syncords India (P) Ltd
Committee position held in other Companies	—	—
Shareholding ( No. of Shares )	10,000 shares	Nil (in SPEL)



## Directors' Report

Your Directors present the 33<sup>rd</sup> Annual Report of the Company together with the Audited Accounts for the year ended Mar 31, 2018.

### 1. Financial Highlights / Performance

The Operating results of your Company as per Ind AS Financial Statements for the year ended Mar 31, 2018 are given below

(₹ in Lakhs)

Particulars	Year ended Mar 31, 2018	Year ended Mar 31, 2017
Sales	41,66.31	35,53.22
Other Income	2,33.70	2,82.07
PBIDT	86.31	(22,98.94)
Finance Cost	2,89.16	2,15.67
Depreciation	6,30.57	6,93.33
Profit /(Loss) before Taxation	(8,33.42)	(32,07.94)
Tax Expense	13.64	(1,47.54)
Profit /(Loss) after Taxation	(8,47.06)	(30,60.40)

Turnover of your Company got improved significantly during the year under review. However, your Company is yet to recover from the aftermath of the Employees unrest during FY 2015-16, the recovery was considerably low. Though H1 FY 2017-18 first quarter was good, Q3 FY 2016-17 was the worst in the year as we had several natural calamities with delayed material deliveries. Customer demands for the existing products & packages were volatile however have seen phased increased in order receipts. Your Company had maintained good relationship with all its Customers in US & Europe and have seen good improvement in capturing business from one of the big Customers in the US. It is expected to improve production orders in FY 2018-19. The outlook for FY 2018-19 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 ₹ 49,01.97 lakhs to ₹ 40,90.24 lakhs at the end of the year.

### 4. The Global Semiconductor Industry

According to Semiconductor Industry Association (SIA), representing U.S. leadership in Semiconductor manufacturing, design, and research, worldwide sales of Semiconductors reached \$111.1 billion during the first quarter of 2018, an increase of 20 percent compared to the first quarter of 2017, but 2.5 percent less than the fourth quarter of 2017. Sales for the month of March 2018 came in at \$37.0 billion, an increase of 20 percent compared to the March 2017 total of \$30.8 billion and 0.7 percent more than the February 2018 total of \$36.8 billion.

Regionally, year-to-year sales increased in America (35.7 percent), Europe (20.6 percent), China (18.8 percent), Asia Pacific/All Other (13.3 percent), and Japan (12.4 percent). Month-to-month sales increased in Europe (3.9 percent), China (2.2 percent), Japan (0.5 percent), and Asia Pacific/All Other (0.2 percent), but decreased slightly in the Americas (-2.0 percent)

### Forecast for FY 2018-19

Despite the upward revision for 2018, the quarterly growth profile for 2018 is expected to fall back to a more normal pattern with a mid-single-digit sequential decline in the first quarter of the year, followed by a recovery and



buildup in both the second and third quarters of 2018, and a slight decline in the fourth quarter.

Worldwide Semiconductor revenue is forecast to total \$451 billion in 2018, an increase of 7.5 percent from \$419 billion in 2017, according to Gartner, Inc. This represents a near doubling of Gartner's previous estimate of 4 percent growth for 2018

#### **Market Drivers for future**

It was a growth year for the Semiconductor industry in 2017. Semiconductor earnings were driven by increasing memory prices, a boost in crypto currency, increasing adoption of GPUs (Graphics Processing Units) by Data Centers and Cloud Companies for AI (Artificial Intelligence) tasks, and the growing popularity of e-sports.

Although the Semiconductor industry may not be able to replicate the double-digit growth it saw in 2017, it could continue to grow in 2018. The US Congress passed its tax reform bill in December 2017, which could make US Companies more competitive with their overseas competitors.

Another major development could be the adoption of AI (Artificial Intelligence) Technology across various verticals. Handset makers Apple and Samsung have already brought AI functionality to smartphones. The drone market is growing, and 2018 may see the commercial rollout of AI-powered drones throughout the world, many industries, from construction to healthcare, could adopt AI technology to improve efficiency and reduce costs

Next major development could be the shift to a 10 nm (Nanometer) node by Intel, which could put it back in a technological advantage. Taiwan Semiconductor Manufacturing (TSM) and Samsung could also shift to a 7 nm node, but that would be equivalent to Intel's 10 nm node. The move to a smaller node could bring

significant cost savings and improve the performance of the chips.

The Semiconductor industry could also come closer to the deployment of 5G (fifth-generation) technology. Although that may not generate any revenues in 2018, it could create significant growth opportunities for the future. Even AR/VR (Augmented Reality/Virtual Reality) adoption could pick up in the industrial as well as gaming space as Companies such as Advanced Micro Devices (AMD) work to make wireless headsets more user-friendly.

#### **Outsourced Assembly and Test (OSAT) Industry**

The Global Semiconductor assembly and testing services (SATS) market was valued at US\$ 27,700 Mn in 2017 and is expected to register a CAGR of 4.7% from 2018 to 2027. Growing demand of consumer electronics, increasing integration of electronics and connectivity in automotive are major factors driving growth of the global Semiconductor Assembly and Testing Services (SATS) market.

On the basis of application, the global Semiconductor Assembly and Testing Services (SATS) market is segmented into communication, computing & networking, consumer electronics, industrial and automotive. The revenue contribution from the consumer electronics segment is anticipated to expand at a CAGR of 6.3% during the forecast period of 2018-2027.

Among the regions, Taiwan is projected to exhibit relatively high growth in the global market, registering a CAGR of 5.6% over the forecast period. Revenue from the Semiconductor Assembly and Testing Services (SATS) Market in North America and APAC (excluding Taiwan) is expected to collectively account for over 40% of the global Semiconductor Assembly and Testing Services (SATS) Market revenue in 2017.



Semiconductor Assembly and Testing Services providers can focus on expanding their footprints across several countries in APAC and Europe regions such as India and UK.

#### **The Indian Semiconductor Industry**

India is strongly focusing on Semiconductor manufacturing, It is expected that the increased demand for modern chip designs and growing demand for electronics devices would drive the need of Semiconductor IP designing. The Indian Semiconductor component market is expected to be worth USD 32.35 billion by 2025, growing at a CAGR of 10.1% between 2018 and 2025.

The Indian Semiconductor ecosystem is quite robust, with most of the major global Semiconductor players having their R&D centers in India. In addition to global R&D centers, the past decade has seen quite a few Indian entrepreneurs starting their own fabless IP or SoC design houses. India is a highly attractive destination for global R&D centers owing to the availability of talent, as well as lower cost (compared with the US and Western Europe).

“India’s ESDM (Electronics System, Design & Manufacturing) sector is poised to reach \$228 billion by 2020 from \$100 billion in 2016-17, growing at 16-23 per cent annually,” said a joint report of the India Electronics and Semiconductor Association (IESA) and global services firm Ernst & Young (EY) at a summit.

#### **5. Company Performance**

The performance of your Company had improved significantly as compared to previous Financial Year and plans are in place to further improve significantly during the years to come. This is evident from the business with most of the Important / Growing / Emerging Customers is on the rise during Q1 FY 2018-19. There have been improved orders, new product introductions & Customer additions during this year. This was made possible due to the Engineering, Application support from SPEL apart from the QCDS factors (Quality, Cost, Delivery, and Service).

Withdrawal of Buyer’s Credit facility by RBI from middle of Mar 2018 is another policy change which has resulted strain on already tight cash flow. Earlier implementation of GST from July 2017 onwards had placed additional strain as we had to pay GST on all our imported materials including on wafers and later on claim refund. We had paid GST till middle of Oct and applied for refund and there had been delay in obtaining refund. Above policy changes by Government has affected our operations to a very major extent. SPEL was able to strengthen relationship with its one of the biggest European Customers and the volumes are growing. The outlook for FY2018-19 is good and other strategic partnership for new projects in the field of Aero Space & Medical. The demand for the packages supported by SPEL is steady for leaded packages and growing for QFNs and contribution is expected to increase in future years.

- a. Leaded Packages - SPEL in able to find opportunities for increased loading from existing Customers to utilize the available capacity. No new capacity additions have been planned.
- b. QFN Packages – Demand is growing. Flip Chip QFN is witnessing more growth than normal QFN and SPEL is planning to have this capability in the next Financial Year.

#### **6. 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.

**7. 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

**8. 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

**9. Adequacy of internal financial controls**

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

**10. Subsidiary /Joint Ventures/Associate Companies**

Your Company had incorporated a Wholly Owned Subsidiary Company during the Financial Year with the due approval of the Shareholders, 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.

**11. 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.



## 12. Statutory Auditors

The term of office of your Company's Auditors M. S. Krishnaswami & Rajan, Chartered Accountants, is getting completed at the conclusion of this AGM. They do not offer themselves for appointment as Statutory Auditors of the Company at the forthcoming Annual General Meeting for a further period. The Company has received notice from a Member recommending the appointment of Mr. K. Nandhiswaran, Chartered Accountant, Chennai, as Statutory Auditors in the place of M. S. Krishnaswami & Rajan.

Mr. K. Nandhiswaran, Chartered Accountant, has expressed his consent for the appointment as Statutory Auditors for the Financial Year 2018-19 and has confirmed that the appointment, if made, will be in accordance with the limits specified under Section 139 of the Companies Act, 2013.

## 13. Share Capital

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

## 14. 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 MGT9, which forms part of this report.

## 15. 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 (Units)	43.229 Units
Savings in Water Consumption	531 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 :  
₹ 4,24.31 Lakhs.

Foreign Exchange Earned used during the year :  
₹ 26,59.98 Lakhs.

## 16. 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.

## 17. Directors and Key Managerial Personnel

There was no change in either the Board position or Key Management Persons during the year under review.

## 18. Number of meetings of the Board

Six 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.

#### **19. Audit Committee**

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

#### **20. Vigil mechanism for Directors & 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.

#### **21. 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.

#### **22. Loans, Guarantees or Investments**

Particulars of Loans, Guarantees and Investments have been disclosed in the financial statements.

#### **23. 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.

#### **24. Managerial Remuneration**

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

#### **25. Secretarial Audit Report**

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

#### **26. 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.

#### **27. 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.

#### **28. 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.

#### **29. 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.



### 30. Reply to Statutory Auditor's Comments in their Report

The Statutory Auditors have commented in their report regarding "Going Concern" assumption adopted in preparation of Financial Statements. The Management's response is given in the Note 3.16 of the Financial Statements, which is self-explanatory.

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

### 31. Reply to comments by Secretarial Auditor in his report

Regarding the comment that the Company is not regular in depositing undisputed PF, ESI, GST, Service tax and Income-tax (TDS), Property dues and Listing fee the Management is confident that the situation will improve, based on the austerity steps and proactive measures taken during the year. This in-turn will improve the liquidity and ensure that the statutory dues will be paid regularly in the future.

### 32. 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 2017-18.

### 33. 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

**K. Ravikumar**

Director

DIN : 00119753

**M. Jayasankar**

Director

DIN : 00048351

**N. Suryanarayanan**

Director

DIN : 02282919

**D. Balakrishnan**

Whole Time Director

& CEO

DIN : 02131242

**Dr. Enakshi Bhattacharya**

Director

DIN : 05277571

Chennai

May 29, 2018





**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 arrangements or transactions at arm's length basis : Nil

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

Chennai  
May 29, 2018

S.I.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 line with the remuneration policy of the company where their 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 border="0"> <tr> <td>Particulars</td> <td>Mar 31, 2018</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>-6.22</td> <td>22.73%</td> </tr> </table>	Particulars	Mar 31, 2018	% Change	Market capitalization	52,75,83,548	-33.74 %	Price Earnings Ratio	-6.22	22.73%	
Particulars	Mar 31, 2018	% Change										
Market capitalization	52,75,83,548	-33.74 %										
Price Earnings Ratio	-6.22	22.73%										

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	<p>Comparison of the remuneration of the key managerial personnel against the performance of the company aggregate remuneration of key managerial personnel (KMP) in 2018.</p> <table data-bbox="912 976 1367 1264"> <tr> <td>Revenue in ( Lakhs)</td> <td>41,66.31</td> </tr> <tr> <td>Remuneration of KMPs (as % of revenue)</td> <td>1.63%</td> </tr> <tr> <td>Profit before tax (PBT) (Lakhs)</td> <td>(8,33.42)</td> </tr> <tr> <td>Remuneration of KMPs (as % of PBT)</td> <td>-8.02%</td> </tr> </table>	Revenue in ( Lakhs)	41,66.31	Remuneration of KMPs (as % of revenue)	1.63%	Profit before tax (PBT) (Lakhs)	(8,33.42)	Remuneration of KMPs (as % of PBT)	-8.02%
Revenue in ( Lakhs)	41,66.31									
Remuneration of KMPs (as % of revenue)	1.63%									
Profit before tax (PBT) (Lakhs)	(8,33.42)									
Remuneration of KMPs (as % of PBT)	-8.02%									
10.	The key parameters of any variable component of remuneration availed by the directors	Not Applicable								
11.	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								
12.	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**

According to Semiconductor Industry Association (SIA), representing U.S. leadership in Semiconductor manufacturing, design, and research, worldwide sales of Semiconductors reached \$111.1 billion during the first quarter of 2018, an increase of 20 percent compared to the first quarter of 2017, but 2.5 percent less than the fourth quarter of 2017. Sales for the month of March 2018 came in at \$37.0 billion, an increase of 20 percent compared to the March 2017 total of \$30.8 billion and 0.7 percent more than the February 2018 total of \$36.8 billion.

Regionally, year-to-year sales increased in America (35.7 percent), Europe (20.6 percent), China (18.8 percent), Asia Pacific/All Other (13.3 percent), and Japan (12.4 percent). Month-to-month sales increased in Europe (3.9 percent), China (2.2 percent), Japan (0.5 percent), and Asia Pacific/All Other (0.2 percent), but decreased slightly in the Americas (-2.0 percent)

### **Market Drivers for future**

It was a growth year for the Semiconductor industry in 2017. Semiconductor earnings were driven by increasing memory prices, a boost in crypto currency, increasing adoption of GPUs (Graphics Processing Units) by data centers and cloud Companies for AI (Artificial Intelligence) tasks, and the growing popularity of e-sports.

Although the Semiconductor industry may not be able to replicate the double-digit growth it saw in 2017, it could continue to grow in 2018. The US Congress passed its tax reform bill in December 2017, which could make US Companies more competitive with their overseas competitors.

Another major development could be the adoption of AI (Artificial Intelligence) technology across various verticals. Handset makers Apple and Samsung have already brought AI functionality to smartphones. The drone market is growing, and 2018 may see the commercial rollout of AI-powered drones throughout the world, many industries, from construction to healthcare, could adopt AI technology to improve efficiency and reduce costs

Next major development could be the shift to a 10 nm (Nanometer) node by Intel, which could put it back in a technological advantage. Taiwan Semiconductor Manufacturing (TSM) and Samsung could also shift to a 7 nm node, but that would be equivalent to Intel's 10 nm node. The move to a smaller node could bring significant cost savings and improve the performance of the chips.

The Semiconductor industry could also come closer to the deployment of 5G (Fifth-generation) technology. Although that may not generate any revenues in 2018, it could create significant growth opportunities for the future. Even AR/VR (Augmented Reality/Virtual Reality) adoption could pick up in the industrial as well as gaming space as Companies such as Advanced Micro Devices (AMD) work to make wireless headsets more user-friendly.



## **Outsourced Assembly and Test (OSAT) Industry**

The Global Semiconductor Assembly and Testing Services (SATS) market was valued at US\$ 27,700 Mn in 2017 and is expected to register a CAGR of 4.7% from 2018 to 2027. Growing demand of consumer electronics, increasing integration of electronics and connectivity in automotive are major factors driving growth of the global Semiconductor Assembly and Testing Services (SATS) market.

On the basis of application, the global Semiconductor Assembly and Testing Services (SATS) market is segmented into communication, computing & networking, consumer electronics, industrial and automotive. The revenue contribution from the consumer electronics segment is anticipated to expand at a CAGR of 6.3% during the forecast period of 2018-2027.

Among the regions, Taiwan is projected to exhibit relatively high growth in the global market, registering a CAGR of 5.6% over the forecast period. Revenue from the Semiconductor Assembly and Testing Services (SATS) Market in North America and APAC (excluding Taiwan) is expected to collectively account for over 40% of the global Semiconductor Assembly and Testing Services (SATS) Market revenue in 2017. Semiconductor Assembly and Testing Services providers can focus on expanding their footprints across several countries in APAC and Europe regions such as India and UK.

## **The Indian Semiconductor Industry**

India is strongly focusing on Semiconductor manufacturing, It is expected that the increased demand for modern chip designs and growing demand for electronics devices would drive the need of Semiconductor IP designing. The Indian Semiconductor component market is expected to be worth USD 32.35 billion by 2025, growing at a CAGR of 10.1% between 2018 and 2025.

The Indian Semiconductor ecosystem is quite robust, with most of the major global Semiconductor players having their R&D centers in India. In addition to global R&D centers, the past decade has seen quite a few Indian entrepreneurs starting their own fabless IP or SoC design houses. India is a highly attractive destination for global R&D centers owing to the availability of talent, as well as lower cost (compared with the US and Western Europe).

“India’s ESDM (Electronics System, Design & Manufacturing) sector is poised to reach \$228 billion by 2020 from \$100 billion in 2016-17, growing at 16-23 per cent annually,” said a joint report of the India Electronics and Semiconductor Association (IESA) and global services firm Ernst & Young (EY) at a summit.

## **SPEL’s performance**

The performance of your Company had improved significantly as compared to previous Financial Year and plans are in place to further improve significantly during the years to come. This is evident from the business with most of the Important / Growing / Emerging Customers is on the rise during



Q1 FY 2018-19. There have been improved orders, new product introductions & Customer additions during this year. This was made possible due to the Engineering, Application support from SPEL apart from the QCDS factors (Quality, Cost, Delivery, and Service).

Withdrawal of Buyer's Credit facility by RBI from middle of Mar 2018 is another policy change which has resulted strain on already tight cash flow. Earlier implementation of GST from July 2017 onwards had placed additional strain as we had to pay GST on all our imported materials including on wafers and later on claim refund. We had paid GST till middle of Oct and applied for refund and there had been delay in obtaining refund. Above policy changes by Government has affected our operations to a very major extent.

SPEL was able to strengthen relationship with its one of the biggest European Customers and the volumes are growing. The outlook for FY 2018-19 is good and other strategic partnership for new projects in the field of Aero Space & Medical. The demand for the packages supported by SPEL is steady for Leaded Packages and growing for QFNs and contribution is expected to increase in future years.

### **Global Trend for SPEL's package lines**

The demand for Leaded and QFN packages supported by SPEL is steady and will grow

- a. Leaded Packages – SPEL is able to find opportunities for increased loading from existing Customers to utilize the available capacity. No new Capacity additions have been planned
- b. QFN Packages – Demand is growing. Flip Chip QFN is witnessing more growth than normal QFN and SPEL is planning to have this capability in the next Financial Year.

### **Forecast for FY 2018-19**

Despite the upward revision for 2018, the quarterly growth profile for 2018 is expected to fall back to a more normal pattern with a mid-single-digit sequential decline in the first quarter of the year, followed by a recovery and buildup in both the second and third quarters of 2018, and a slight decline in the fourth quarter.

Worldwide Semiconductor revenue is forecast to total \$451 billion in 2018, an increase of 7.5 percent from \$419 billion in 2017, according to Gartner, Inc. This represents a near doubling of Gartner's previous estimate of 4 percent growth for 2018.

**for SPEL Semiconductor Limited**

**D. Balakrishnan**

Whole Time Director & CEO

DIN: 02131242

Chennai

May 29, 2018



**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on Mar 31, 2018**  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

i. CIN	L32201TN1987PLC11434
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 Fax: 044 - 4740 5303
vi. Whether listed company Yes/No	Yes
vii. Name, Address and Contact details of Register 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	—	Holding Company	55.97	Sec 2 (46)



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

**l) 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	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	1477573	0	1477573	3.20	1477573	0	1477573	3.20	---
b) Central Govt	---	---	---	---	---	---	---	---	---
c) State Govt (s)	---	---	---	---	---	---	---	---	---
d) Bodies Corp	---	---	---	---	---	---	---	---	---
e) Banks / FI	---	---	---	---	---	---	---	---	---
f) Any Other	---	---	---	---	---	---	---	---	---
<b>Sub-total (A)(1):-</b>	<b>1477573</b>	<b>0</b>	<b>1477573</b>	<b>3.20</b>	<b>1477573</b>	<b>0</b>	<b>1477573</b>	<b>3.20</b>	<b>---</b>
<b>(2) Foreign</b>									
(a) NRIs-Individuals	---	---	---	---	---	---	---	---	---
(b) Other - Individuals	---	---	---	---	---	---	---	---	---
(c) Bodies Corp.	25811207	0	25811207	55.97	25811207	0	25811207	55.97	---
(d) Banks/ FI	---	---	---	---	---	---	---	---	---
(e) Any Other	---	---	---	---	---	---	---	---	---
<b>Sub-total (A) (2):-</b>	<b>25811207</b>	<b>0</b>	<b>25811207</b>	<b>55.97</b>	<b>25811207</b>	<b>0</b>	<b>25811207</b>	<b>55.97</b>	<b>---</b>
<b>Total shareholding of Promoter</b>									
<b>(A)=(A1)+(A)(2)</b>	<b>27288780</b>	<b>0</b>	<b>27288780</b>	<b>59.17</b>	<b>27288780</b>	<b>0</b>	<b>27288780</b>	<b>59.17</b>	<b>---</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	---	8600	8600	0.02	---	8600	8600	0.02	---
b) Banks / FI	---	100	100	0.00	---	100	100	0.00	---
c) Central Govt	---	---	---	---	---	---	---	---	---
d) State Govt	---	---	---	---	---	---	---	---	---
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)	---	---	---	---	---	---	---	---	---
<b>Sub-total(B)(1):-</b>	<b>9000</b>	<b>8700</b>	<b>17700</b>	<b>0.04</b>	<b>9000</b>	<b>8700</b>	<b>17700</b>	<b>0.04</b>	<b>---</b>





**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	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	1360416	20780	1381196	2.99	1648155	20780	1668935	3.62	0.63
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital up to ₹ 2 Lakh	10643443	2462587	13106030	28.42	9317412439	18712370928	26.82	-1.60	
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 Lakh	3135683	---	3135683	6.80	3345666	---	3345666	7.25	0.45
<b>c) Others (specify)</b>									
Cleaning 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	---
<b>Sub-total(B)(2)</b>	<b>16280159</b>	<b>2530804</b>	<b>18810963</b>	<b>40.79</b>	<b>16304059</b>	<b>2506904</b>	<b>18810963</b>	<b>40.79</b>	<b>---</b>
Share holding (B)=(B)(1)+(B)(2)	16289159	2539505	18828663	40.83	16313059	2515604	18828663	40.83	---
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	---	---	---	---	---	---	---	---	---
<b>Grand Total (A+B+C)</b>	<b>43577939</b>	<b>2539504</b>	<b>46117443</b>	<b>100.00</b>	<b>43601839</b>	<b>2515604</b>	<b>46117443</b>	<b>100.00</b>	<b>---</b>

**(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
<b>NIL</b>					

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

Sl.No.		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.	Niramli Bang Financial Services Pvt.Ltd.	-	-	264242	0.57
3.	Angel Fincap Private Limited	214248	0.46	214830	0.47
4.	Tanvi Jignesh Mehta	320000	0.69	214180	0.46
5.	Alphonsus Fernandes	207350	0.45	207350	0.45
6.	Globe Capital Market Limited	93254	0.20	118587	0.26
7.	Suman Bang	-	-	113465	0.25
8.	Niraj Haresh Shah	200000	0.43	105327	0.23
9.	Prakash Chandra Modi	100000	0.22	100000	0.22
10.	Simplex Properties & Trading Pvt.Ltd.	-	-	100000	0.22

**(v) Shareholding of Directors and Key Managerial Personnel**

Sl.No.	For each 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. M. Jayasankar	-	-	-	-
3.	Dr. Enakshi Bhattacharya	-	-	-	-
4.	Mr. D. Balakrishnan	10000	0.02	10000	0.02
5.	Mr. V. Srinivasan	-	-	-	-
6.	Mr. S. S. Arunachalam	-	-	-	-



**v. INDEBTEDNESS**

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

( ₹in Lakhs)

	Secured Loans Excluding deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	7,00.00	2,00.00	9,00.00
ii) Interest due but not paid	-	51.73	51.73
iii) Interest accrued but not due	55.35	----	5.35
Total (i+ii+iii)	7,05.35	2,51.73	9,57.08
Change in Indebtedness during the financial year			
i) Addition			
a. Principal	----	25	25
b. Interest accrued but not due	4.24	----	4.24
ii) Reduction			
a. Interest due but not paid	---	33.24	33.24
Net Change	4.24	(8.24)	(4.00)
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	----	18.49	18.49
iii) Interest accrued but not due	9.59	----	9.59
Total	7,09.59	2,43.49	9,53.08

**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	37,75,684	37,75,684
	b. Value of perquisites u/s 17(2) Income Tax Act, 1961	Nil	Nil
	c. Profits in lieu of salary under section 17(3) Income Tax 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission		
	- as % of Profit		
	- others specify	Nil	Nil
5.	others please specify	Nil	Nil
	Total (A)	37,75,684	37,75,684
	Celling as per Act		



**B. Remuneration to other directors :**

Sl.No.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
		Mr. K. Ravikumar (₹)	Mr. N. Suryanarayanan (₹)	Mr. M.Jayasankar (₹)	Dr. Enakshi Bhattacharya (₹)	
	Independent Directors					
	Fees for attending board/committee meetings	70,000	24,000	77,000	46,000	2,17,000
	Commission	---	---	---	---	---
	Others, please specify	22,500	6,000	21,500	14,000	64,000
	Other Non Executive Directors	---	---	---		
	Total Managerial Remuneration	92,500	30,000	98,500	60,000	2,81,000
	Overall ceiling as per the Act	NA	NA NA	NA	NA	NA

**C. Remuneration to key managerial personal other than MD/Manager/WTD**

Sl.No.	Particulars of Remuneration	Key managerial Personnel		
		Company Secretary (₹)	CFO (₹)	Total (₹)
1	Salary	13,58,045/-	15,47,400/-	29,05,445

**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					
<b>Other Officers in Default</b>			<b>NIL</b>		
Penalty					
Punishment					
Compounding					

On behalf of the Board of Directors,

Chennai  
May 29, 2018

K. Ravikumar  
Director

D. Balakrishnan  
Whole Time Director & CEO



**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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 - 603 209

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 IC 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 : INE252A01019. SPEL is certified for ISO 9001:2000; ISO 14000:2004 & TS 16948:2002

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, I hereby report that in my opinion, the Company has, during the audit period covering its financial year ended on 31st March, 2017 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, 2017 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 to the Company during the Audit Period**

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008; - **Not Applicable to the Company during the Audit Period**
- 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 to the Company during the Audit Period**
- h) The Securities and Exchange Board of India (buyback of Securities) Regulations, 1998; - **Not Applicable to the Company during the Audit Period**

(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 f 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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) has been notified with effect from 1st July 2015
- (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:

#### **Under The Companies Act, 2013**

- 1. According to information received and examination of 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.**
- 2. The company is in default in payment of listing fee to the extent of Rs. 2,95,000/- as per the invoice dated 2<sup>nd</sup> April, 2018.**

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's based on the reports of the heads of the Departments 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 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.

Marketing and Sales Agreement entered into with Natronix Semiconductor Technology Private Limited, Singapore (Promoter / Holding Company) amounting to **Rs.83,50,705/- for FY 2017-18**

Unsecured Loan from others represents amount brought in by Promoters of the Company during 2016-17. The amount so brought in aggregated Rs.6,50,00,000/- is repayable in 137 installments and carries interest of 12% per annum with monthly rest, the respective installments were paid during the financial year.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were carried out in the Board were in compliance with the provisions of the Act.

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

I further report that during the audit period 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.

Place: Chennai  
Date : May 29, 2018

Signature  
Sd/-  
T. Balasubramanian  
FCS: 7987  
CPN0: 3402



## Report on Corporate Governance

Pursuant to Regulation 34(3), 53(f) & Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, a Report on Corporation 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 5 Directors. The Board comprises a combination of Executive and Non-executive Directors.

Composition of Board of Directors, their other Directorships and Committeeships is depicted here-under :

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 Chairperson*	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	6	6	1	–	Yes
Mr. M. Jayasankar Director	Non-Executive Independent	6	6	–	–	Yes
Dr. Enakshi Bhattacharya Director	Non-Executive Independent	6	4	1	–	No
Mr. N. Suryanarayanan Additional Director	Non-Executive Independent	6	3	–	–	No
Mr. D. Balakrishnan Whole Time Director & CEO	Executive	6	6	–	–	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, 2018, Six (6) Board Meetings were held on May 30, 2017, Sep 7, 2017, Dec 6, 2017, Feb 8, 2018, Feb 26, 2018 & Mar 31, 2018.





### 3. Composition of various Board Committees

Name of the Committee	Names of Directors	Category
Audit Committee	Mr. N. Suryanarayanan Mr. M. Jayasankar Dr. Enakshi Bhattacharya	Chairman (w.e.f. Feb 8, 2018) Member (Chairman till Feb 8, 2018) Member
Stakeholders Relationship Committee	Dr. Enakshi Bhattacharya Mr. N. Suryanarayanan Mr. M. Jayasankar	Chairperson Member Member
Nomination and Remuneration Committee	Mr. M. Jayasankar 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 Auditor's 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 there of

Four Audit Committee Meetings were held on May 30, 2017, Sep 7, 2017, Dec 6, 2017 & Feb 8, 2018

Names of the Directors	No. of Audit Committee Meetings attended
Mr. K. Ravikumar	3
Mr. M. Jayasankar	4
Dr. Enakshi Bhattacharya	2
Mr. N. Suryanarayanan	-

**c. Nomination and Remuneration Committee**

The committees advises the Board policy for remuneration, terms of employment and any changes, including service contracts of Executive and Non-Executive Directors and supervise the Employee Stock Option Scheme (ESOS).

**Details of Remuneration paid to Directos (Amount in ₹)**

Remuneration paid during the year 2017-18					
Sl. No.	Names of Directors	Salary / Special allowance / Perquisites	Commission / Bonus / Incentive	Sitting Fees	Total
1.	Mr. K. Ravikumar	NA	NA	70,000/-	70,000/-
2.	Mr. M. Jayasankar	NA	NA	77,000/-	77,000/-
3.	Dr. Enakshi Bhattacharya	NA	NA	46,000/-	46,000/-
4.	Mr. N. Suryanarayanan	NA	NA	24,000/-	24,000/-
5.	Mr. D. Balakrishnan	37,75,684/-	NA	NA	37,75,684/-

Nomination and Remuneration Committee decides on the remuneration of the Whote-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

In 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**

a) Remuneration / Commission

The Remuneration / Commission shall be fixed as per the stabs and conditions mentioned in the Companies Act.

b) 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 Lac 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**

- a. The Stakeholders Relationship Committee comprises a majority of Independent Non-Executive Directors. Dr. Enakshi Bhattacharya is the Chairperson of the Committee.
- b. The Table below shows the nature of complaints received from Shareholders during FY 2017-18 :

Sl. No.	Nature of Complaint	No. of Complaints Received	Attended	Pending
1.	Non-receipt of Share Certificates after transfer & Others	1	1	Nil

- 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) 4740 5490	(044) 4740 5303	investors@spel.com	15 days
2.	Cameo Corporate Services Limited	"Subramanian Building" 1 Club House Road, Chennai 600 002.	(044) 2846 0390	(044) 2846 0129	investor@cameoindia.com	

- d. Four Stakeholders Relationship Committee Meetings were held on May 30, 2017, Sep 7, 2017, Dec 6, 2017 & Feb 8, 2018

Names of the Directors	No. of Committee Meetings attended
Mr. K. Ravikumar	3
Mr. M. Jayasankar	4
Dr. Enakshi Bhattacharya	2
Mr. N. Suryanarayanan	-



## 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.	2014-15	5 CMDA Industrial Estate, Maraimalai Nagar 603 209.	Sep 8, 2015, 4.35 p.m.
2.	2015-16	5 CMDA Industrial Estate, Maraimalai Nagar 603 209.	Jul 30, 2016, 4.00 p.m.
3.	2016-17	5 CMDA Industrial Estate, Maraimalai Nagar 603 209.	Sep 7, 2017, 3.30 p.m.

### Special Resolutions passed in the previous 3 AGMs :

30th AGM : Nil

- 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

### Postal Ballot

Pursuant to Section 110 and other applicable provisions of Companies Act, 2013, read with rules made thereunder and Regulation 44 of SEBI (LODR) Regulations, 2015, approval of the Shareholders of the Company was sought during the year through Postal Ballot / e-voting for the following actions and Mr. T. Balasubramanian, Practicing Company Secretary act as Scrutinizer to the above process :  
"Sale of business undertaking by way of Slump Sale as "Going Concern" to its Wholly Owned Subsidiary (WOS) Company "

The above action was approved by way of Special Resolution with an assent of Shareholders holding 99.99% voting rights.

## 6. Disclosures

- a. 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.
- b. 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.
- c. 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.
- d. The Company has a Whistle Blower Policy, wherein the Employees enjoy access to report of the Audit Committee
- e. 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](http://www.spel.com). The Company does not display official news releases. Company has not made presentations to Institutional Investors or to the Analysis.



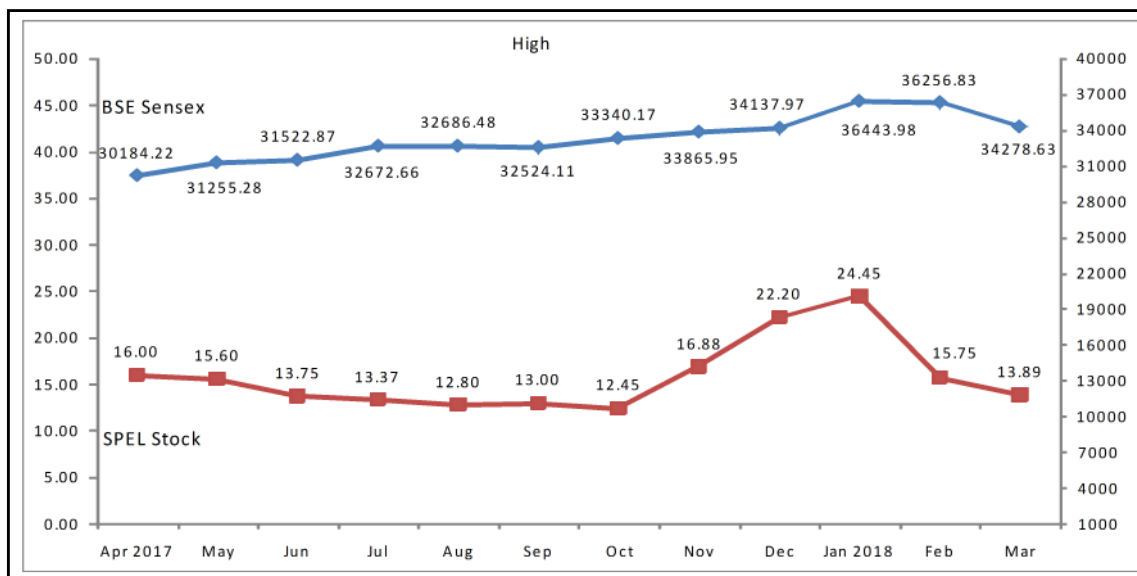
## 8. General Shareholder Information

- 1 Annual General Meeting  
(as indicated in the Notice) : Sep 27, 2018 at Registered Office of the Company
- 2 Financial Year : 2017-18
- 3 Dates of Book Closure : Sep 21, 2018 to Sep 27, 2018
4. Listed on Stock Exchange : The Bombay Stock Exchange Limited (BSE)  
Stock Code : Demat - 517166, Physical - 17166
- 5 ISIN Number NSDL & CDSL : INE 252A01019
- 6 Outstanding GDR/ADR/Warrants  
or any convertible instruments : No
7. Registrar & Share Transfer Agent : Cameo Corporate Services Limited
8. Address for Communication : a. Company Secretary  
SPEL Semiconductor Limited  
5 CMDA Industrial Estate  
MM Nagar (Chennai) 603 209  
India.  
b. Cameo Corporate Services Limited  
Subramanian Building, 1 Club House Road  
Chennai 600 002.
9. Share transfer System : All transfer requests received are processed and approved by  
an Authorized Signatory. Normally transfer are processed and  
approved twice a month.
10. Factory Location : 5, CMDA Industrial Estate,  
MM Nagar (Chennai), 603 209. India.

## 9. Distribution of Shareholding as on Mar 31, 2018

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	1	100	0.00
Non-Resident Indians	181	366044	0.80
Domestic Companies	289	1668935	3.62
Resident Individuals	27613	15724899	34.09
Clearing Members	15	18648	0.04
Hindu Undivided Families	494	1028499	2.23
Trusts	4	3938	0.01
Total	28605	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 2017-18

Month	High	Low	Trading Volume (No. of shares in lakhs)	No. of Traders
Apr 2017	16.00	14.10	5.07	1242
May	15.60	12.25	5.80	1903
Jun	13.75	11.75	3.36	954
July	13.37	11.25	3.14	1015
Aug	12.80	10.60	2.90	810
Sep	13.00	9.90	4.56	1345
Oct	12.45	9.50	3.37	956
Nov	16.88	9.50	16.19	3344
Dec	22.20	13.50	14.29	2419
Jan 2018	24.45	14.10	15.47	2416
Feb	15.75	12.80	7.35	820
Mar	13.89	10.35	8.06	660



## 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

- a. The Company has appointed a third party Firm as the Internal Auditors.
- b. Nomination and Remuneration Committee : The Company has a Nomination and Remuneration Committee detailed in this report
- c. 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, 2018.

Place : Chennai  
Date : May 29, 2018

For SPEL Semiconductor Limited  
D. Balakrishnan  
Chief Executive Officer



### Chief Executive Officer / Chief Financial Officer Certification

To  
The Board of Directors  
SPEL Semiconductor Limited

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 :

these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading

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. Provident Fund
- ii. ESIC
- iii. Income-tax
- iv. Gratuity
- v. Service Tax
- vi. 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

Place : Chennai  
Date : May 29, 2018

Sd/-  
D.Balakrishnan  
Whole Time Director & CEO

Sd/-  
V. Srinivasan  
Chief Financial Officer





**INDEPENDENT AUDITORS' 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, 2018, 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.

**Auditors' 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, 2018.

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.

**For M.S. Krishnaswami & Rajan**

Chartered Accountants

Firm's Registration No. 01554S

**M.S. Murali**

Partner

Membership No. 26453

Chennai

May 29, 2018



## **INDEPENDENT AUDITORS' REPORT**

### **To The Members of SPEL SEMICONDUCTOR LIMITED Report on the Abridged Ind AS Financial Statements**

The accompanying Abridged Ind AS financial statements of **SPEL SEMICONDUCTOR LIMITED** ('the Company'), which comprise the abridged Balance Sheet as at March 31, 2018, 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 related notes, are derived from the audited Ind AS financial statements of the Company for the year ended March 31, 2018. Our opinion dated May 29, 2018 on those Ind AS financial statements contain matter of emphasis.

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") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) issued by Ministry of Corporate Affairs 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 2018, prepared in accordance with Indian Accounting Standards referred to in Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) issued by Ministry of Corporate Affairs and accounting principles generally accepted in India.

### **Auditors' 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 March 31, 2018 are a fair summary of those Ind AS financial statements read with Emphasis of Matter paragraph.

### **Emphasis of Matter**

The Company has incurred losses during the year and in the preceding years generating negative operating cash flows and working capital deficiencies resulting in defaults in meeting obligations. Management has represented that the future plans drawn up and the infusion of the funds by the promoters indicate sufficient support to the Company to recover past losses within a reasonable period of time and settle its obligations as and when they fall due. The financial statements of the Company have been prepared on a going concern basis for the reasons stated in Note 3.16 to the Ind AS financial statements. We have considered the adequacy of disclosure made in Note 3.16 to the Ind AS financial statements in addressing the issue of "Going Concern" and note that the Company's ability to continue as a going concern would depend upon the fruition of efforts/ various plans laid down by the management as outlined therein. Our opinion is not modified in respect of this matter.

### **For M.S. Krishnaswami & Rajan**

Chartered Accountants  
Registration No. 01554S

**M.S. Murali** Partner  
Membership No. 26453  
Chennai  
May 29, 2018



## INDEPENDENT AUDITORS' REPORT

To the Members of SPEL SEMICONDUCTOR LIMITED

### Report on the Ind AS Financial Statements

1. We have audited the accompanying Ind AS financial statements of SPEL SEMICONDUCTOR LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. 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 these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act as applicable.

This responsibility also includes 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

4. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, 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, 2018, and its loss, total comprehensive income, cash flows and the changes in equity for the year ended on that date.

### Emphasis of Matter

8. The Company has incurred losses during the year and in the preceding years generating negative operating cash flows and working capital deficiencies resulting in defaults in meeting obligations. Management has represented that the future plans drawn up and the infusion of the funds by the promoters indicate sufficient support to the Company to recover past losses within a reasonable period of time and settle its obligations as and when they fall due. The financial statements of the Company have been prepared on a going concern basis for the reasons stated in Note 3.16 to the Ind AS financial statements. We have considered the adequacy of disclosure made in Note 3.16 to the Ind AS financial statements in addressing the issue of "Going Concern" and note that the Company's ability to continue as a going concern would depend upon the fruition of efforts/ various plans laid down by the management as outlined therein. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory

#### Requirements

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) In our opinion, the going concern matter described under the Emphasis of Matter paragraph above may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- g) 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.
- 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 Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us.
- i. The Company has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 3.9 (i) to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.



- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
10. 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.

**For M.S. Krishnaswami & Rajan**

Chartered Accountants

Registration No. 01554S

**M.S. Murali** Partner

Membership No. 26453

May 29, 2018

Chennai

**ANNEXURE "A" TO THE INDEPENDENT**

**AUDITORS' REPORT**

(Referred to in paragraph 9 (g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date on the accounts of SPEL SEMICONDUCTOR LIMITED ("the Company") for the year ended March 31, 2018)

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, 2018 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.

**Auditors' 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, 2018:
  - (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 recognising revenue in the financial statements without establishing reasonable certainty of ultimate collection.
  - (ii) The Company did not have 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. This could potentially result in material statement in Company's closing 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 deducted on a timely basis.
10. In our opinion and to the best of our information and according to the explanations given to us except 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 were operating effectively as of March 31, 2018 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, 2018 Ind AS financial statements of the Company and these material weaknesses do not affect our opinion on the financial statements of the Company.

**For M.S. Krishnaswami & Rajan**

Chartered Accountants

Registration No. 01554S

**M.S. Murali Partner**

Membership No. 26453

May 29, 2018

Chennai

**ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 10 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, 2018)

- (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 the provisions of Section 73 to 76 and other relevant provisions of the Companies Act, 2013 are applicable. For this purpose, the monies brought in by the promoters / their relatives by way of 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, 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, 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 ₹ lakhs)
Service tax	29.92
Goods and Service tax	12.17
Income tax	33.66
Tax deducted at source	8.81
Professional tax	5.13
Employee state insurance	0.61



- c) 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, 2018 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)

- (viii) 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.

- (ix) According to the information and explanations given to us and the records of the Company examined by us, no moneys 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.

- (x) 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.

- (xi) 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.

- (xii) 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.

- (xiii) 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.

- (xiv) 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.

- (xv) 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.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For M.S. Krishnaswami & Rajan**

Chartered Accountants  
Registration No. 01554S

**M.S. Murali Partner**

Membership No. 26453  
Chennai

May 29, 2018



**Spel Semiconductor Limited**  
**Abridged Balance Sheet as at March 31, 2018**

[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, 2018	As at March 31, 2017	As at April 1, 2016
<b>1. ASSETS</b>			
<b>(A) Non-current assets</b>			
(a) Property, plant and equipment	1,26,35.54	1,32,68.69	1,74,37.95
(b) Intangible assets	1.37	1.21	0.20
(c) Financial Assets			
(i) Investments	-	-	0.04
(ii) Other financial assets	89.16	84.48	97.30
(d) Non current tax assets (net)	-	-	49.94
	<b>1,27,26.07</b>	<b>1,33,54.38</b>	<b>1,75,85.43</b>
<b>(B) Current assets</b>			
(a) Inventories	4,24.33	4,54.52	26,04.34
(b) Financial Assets			
(i) Trade Receivables	28,08.14	15,49.06	3,82.15
(ii) Cash and cash equivalents	0.47	5,53.39	2.19
(iii) Bank balances other than above	60.55	60.03	51.25
(iv) Other financial assets	8,68.79	14,50.57	3.83
(c) Other current assets	1,01.32	54.45	42.85
	<b>42,63.60</b>	<b>41,22.02</b>	<b>30,86.61</b>
<b>TOTAL ASSETS</b>	<b>1,69,89.67</b>	<b>1,74,76.40</b>	<b>2,06,72.04</b>
<b>2. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share capital	46,13.25	46,13.25	46,13.25
(b) Other Equity	40,90.24	49,01.97	71,84.08
	<b>87,03.49</b>	<b>95,15.22</b>	<b>1,17,97.33</b>
<b>(2) Liabilities</b>			
<b>(A) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13,17.75	13,30.78	-
(ii) Other financial liabilities	74.18	68.73	-
(b) Provisions	4,52.74	4,01.59	3,35.53
(c) Deferred tax liabilities (net)	22,47.42	21,93.26	32,24.90
(d) Other non current liabilities	1,20.37	1,26.22	-
	<b>42,12.46</b>	<b>41,20.58</b>	<b>35,60.43</b>
<b>(B) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	11,73.71	14,91.94	16,16.01
(ii) Trade payables	18,05.32	14,53.31	11,56.36
(iii) Other financial liabilities	8,64.77	6,91.33	10,73.38
(b) Other current liabilities	2,05.70	1,77.29	14,14.31
(c) Provisions	24.22	26.73	54.22
	<b>40,73.72</b>	<b>38,40.60</b>	<b>53,14.28</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,69,89.67</b>	<b>1,74,76.40</b>	<b>2,06,72.04</b>

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

As Per our report of even date  
**For M.S.Krishnaswami & Rajan**  
Chartered Accountants  
Firm Registration No. 01554S

**M S Murali** - Partner  
Membership No. 26453

Date: May 29,2018  
Place: Chennai

**For and on behalf of the Board**

**K.Ravikumar**  
Director  
DIN : 00119753

**N.Suryanarayanan**  
Director  
DIN : 02282919

**M. Jayasankar**  
Director  
DIN : 00048351

**D.Balakrishnan**  
Director & CEO  
DIN : 02131242

**Enakshi Bhattacharya**  
Director  
DIN : 05277571

**V Srinivasan**  
Chief Financial  
Officer

**S.S. Arunachalam**  
Company Secreatry

**Spel Semiconductor Limited****Abridged Statement of Profit and Loss for the Year ended March 31, 2018**

[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, 2018	Year ended March 31, 2017
<b>(I) Revenue from operations</b>	41,66.31	35,53.22
<b>(II) Other income</b>	2,33.70	2,82.07
<b>(III) Total Income (I+II)</b>	44,00.01	38,35.29
<b>(IV) Expenses</b>		
Cost of materials consumed	14,97.68	12,68.78
Changes in inventories of finished goods, stock-in-trade and work-in-progress	1,20.55	36.86
Employee benefits expense	13,82.12	13,19.62
Finance costs	2,89.16	2,15.67
Depreciation and amortisation expense	6,30.57	6,93.33
Other expenses	14,46.82	11,39.05
<b>Total Expenses (IV)</b>	<b>53,66.90</b>	<b>46,73.31</b>
<b>(V) Loss before exceptional items and tax</b>	<b>(9,66.89)</b>	<b>(8,38.02)</b>
<b>(VI) Exceptional items</b>	(1,33.47)	23,69.91
<b>(VII) Loss before tax</b>	(8,33.42)	(32,07.93)
<b>(VIII) Tax expense:</b>		
Current tax	(40.73)	1,21.42
Deferred tax	54.37	(2,68.96)
	13.64	(1,47.54)
<b>(IX) Loss for the period</b>	<b>(8,47.06)</b>	<b>(30,60.39)</b>
<b>(X) Other Comprehensive Income</b>		
A (i) Items that will not be reclassified to Profit or Loss		
Remeasurement of Defined Benefit Plans	35.13	22.59
(ii) Income tax relating to items that will not be reclassified to Profit or Loss	-	(6.98)
<b>Total Other Comprehensive Income</b>	<b>35.13</b>	<b>15.61</b>
<b>(XI) Total Comprehensive Income for the year</b>	<b>(8,11.93)</b>	<b>(30,44.78)</b>
Earnings per share (Face value ₹ .10 each) -		
-Basic & Diluted	(1.84)	(6.64)

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

As Per our report of even date  
**For M.S.Krishnaswami & Rajan**  
Chartered Accountants  
Firm Registration No. 01554S

**M S Murali** - Partner  
Membership No. 26453

Place: Chennai  
Date: May 29,2018

**For and on behalf of the Board**

**K.Ravikumar**  
Director  
DIN : 00119753

**N.Suryanarayanan**  
Director  
DIN : 02282919

**M. Jayasankar**  
Director  
DIN : 00048351

**D.Balakrishnan**  
Director & CEO  
DIN : 02131242

**Enakshi Bhattacharya**  
Director  
DIN : 05277571

**V Srinivasan**  
Chief Financial  
Officer

**S.S. Arunachalam**  
Company Secretary

**Spel Semiconductor Limited****Abridged Cash Flow Statement for the year ended March 31, 2018**

[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, 2018	March 31, 2017
ii Net Cash flow - Used in investing activities	(6,38.06)	(28,62.44)
iii Net Cash flow (Used in) investing activities	7,03.61	25,72.52
iv Net Cash flow - Used in financing activities	(6,18.47)	8,41.12
<b>Net increase (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(5,52.92)</b>	<b>5,51.20</b>
Company's cash and cash equivalents	5,53.39	2.19
Closing Cash and cash equivalents (Refer Note 1.7 (a) to the Ind AS Financial Statements]	0.47	5,53.39

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

As Per our report of even date  
**For M.S.Krishnaswami & Rajan**  
Chartered Accountants  
Firm Registration No. 01554S

**M S Murali** - Partner  
Membership No. 26453

Place: Chennai  
Date: May 29, 2018

**For and on behalf of the Board**

**K.Ravikumar**  
Director  
DIN : 00119753

**N.Suryanarayanan**  
Director  
DIN : 02282919

**M. Jayasankar**  
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**Enakshi Bhattacharya**  
Director  
DIN : 05277571

**V Srinivasan**  
Chief Financial  
Officer

**S.S. Arunachalam**  
Company Secretary

**Spel Semiconductor Limited**

**Abridged statement of Changes in Equity for the year ended March 31, 2018**

(All amounts in ₹ Lakhs unless otherwise stated)

**A. Equity Share Capital**

Balance at the end of April 1,2016	Changes in equity share capital during the year	Balance at the end of March 31, 2017	Changes in equity share capital during the year	Balance at the end of March 31,2018
41,63.25	—	41,63.25	—	41,63.25

**B OTHER EQUITY**

**Securities Premium Reserve**

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.	As at April 1, 2016 Rs.
	47.35	47.35	47.35
<b>Retained Earnings</b>	<b>47.35</b>	<b>47.35</b>	<b>47.35</b>
Balance as at the beginning of the year	-	-	2,040.37
Add: Current period loss	48,54.62	71,36.73	
Other Comprehensive Income arising from remeasurement of defined benefit obligation (net of tax)	(8,47.06)	(30,60.39)	
Deferred tax	35,85.62	7,56.13	
Balance as at the end of the year	0.20	7,62.67	
<b>Total</b>	<b>40,42.89</b>	<b>48,54.62</b>	<b>71,36.73</b>
	<b>40,90.24</b>	<b>49,01.97</b>	<b>71,84.08</b>

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

	0.20	762.68	-
The accompanying notes form an Integral part of the Ind AS Abridged financial statements			
	4,042.89	4,854.62	7,136.73

As Per our report of even date  
**For M.S.Krishnaswami & Rajan**  
Chartered Accountants  
Firm Registration No. 01554S

**K.Ravikumar**  
Director  
DIN : 00119753

**For and on behalf of the Board** 7,184.08

**N.Suryanarayanan**  
Director  
DIN : 02282919

**M. Jayasankar**  
Director  
DIN : 00048351

**M S Murali** - Partner  
Membership No. 26453

**D.Balakrishnan**  
Director & CEO  
DIN : 02131242

**Enakshi Bhattacharya**  
Director  
DIN : 05277571

Place: Chennai  
Date: May 29,2018

**V Srinivasan**  
Chief Financial  
Officer

**S.S. Arunachalam**  
Company Secretary



**Spel Semiconductor Limited**

**Notes to Abridged Ind AS Financial Statements for the year ended 31st March,2018**

*(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.

b) The financial statements have been prepared in accordance with Ind AS notified under the companies (Indian Accounting Standards) Rules, 2015, Up to the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes, Standards notified under the Companies, (Accounting Standards) Rules, 2006, These are the Company's first Ind AS financial statements. The date of transition to Ind As is April 1, 2016. In accordance with Ind As 101 on First time adoption of Ind AS, the Company has prepared its first Ind AS financial statements which include :

i) Three balance sheets namely, the opening Balance sheet as at April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising assets or liabilities which are not permitted by Ind AS, by reclassifying assets and liabilities from previous GAAP as required by Ind AS, and applying Ind AS in measurement of recognised assets and liabilities, and Balance sheets as at March 31, 2018 and 2017 and.

ii) Two statements each of profit and loss; cash flows and changes in equity for the years ended March 31, 2018 and 2017 together with related notes.

c) The same accounting policies have been applied for all the periods presented except when the Company has made use of certain exception and / or exemptions. The financial statements have been prepared on the historical cost basis except for Property, Plant and Equipment and Intangible assets that are measured at fair values at April 1, 2016 and such fair values are considered as its deemed cost as on the transition date.

2. 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](http://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.



**Notes to Abridged Ind AS Financial Statements for the year ended 31st March, 2018**

(All amounts in ₹ Lakhs unless otherwise stated)

**5. DEFERRED TAX LIABILITIES (NET)**  
( Note 1.14 to the Ind AS Financial Statements)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Deferred tax liabilities	27,06.64	29,20.80	37,67.24
b) Deferred tax (assets)	(459.22)	(7,27.54)	(5,42.34)
	<b>22,47.42</b>	<b>21,93.26</b>	<b>32,24.90</b>

**6. 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, 2018	As at March 31, 2017	As at April 1, 2016
i) Balances with banks in current account	0.20	5,53.01	1.05
ii) Cash on hand	0.27	0.38	1.14
	0.47	5,53.39	2.19
b) Other Bank Balances			
ii) Margin money deposits #	60.55	60.03	51.25
	<b>61.02</b>	<b>6,13.42</b>	<b>53.44</b>

**7. REVENUE FROM OPERATIONS**

(Note 2.1 of Ind AS Financial Statements)

a) Sale of products

Export sales

b) Revenue from services

c) Other operating revenues

- Scrap sales

	Year Ended March 31, 2018	Year Ended March 31, 2017
	37,27.62	29,89.00
	-	-
	4,33.03	5,62.86
	-	-
	-	0.00
	5.66	1.36
	<b>41,66.31</b>	<b>35,53.22</b>



## Notes to Abridged Ind AS Financial Statements for the year ended 31st March,2018

(All amounts in ₹ Lakhs unless otherwise stated)

8. EXCEPTIONAL ITEMS ( Note 2.9 of the Ind AS Financial Statements )	Year Ended March 31, 2018	Year Ended March 31, 2017
a) Loss on Transfer of Immovable Property (Refer Note 2.9(a))	-	3,30.78
b) Provision for inventory written back (Net) (Refer Note 2.9(b))	(1,66.81)	-
c) Inventory written off (Refer Note 2.9(b))	33.34	20,39.13
	<u>(1,33.47)</u>	<u>23,69.91</u>

(a) Provision for inventory written-back (net) in the current year is based on the accounting policy for obsolete/non-moving inventory adopted from the transition date(April 1,2016).Value of Inventory written off in current year represents loss on settlement of insurance claim .Inventory written-off in previous year is due to customers cancelling their orders due to change in technology and opting not to reimport the finished products produced from raw material supplied by them.

(b) Loss on transfer of Immovable Property comprising Land and Building in the previous year is recognised on the basis of agreements entered into, surrender of possession of the said properties in lieu of part consideration and legal opinion obtained in the matter during the previous year.

### 9. Contingent Liabilities

( Note 3.9 of the Ind AS Financial Statements )	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Claims against the Company not acknowledged as debts (net)			
i) Income tax demand (Refer Note 7(a) below)	4,46.47	3,02.83	40.19
ii) Letter of credit for letter of purchases	1,84.81	2,56.27	1,41.09

(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.

10. Commitments ( Note 3.10 of the Ind AS Financial Statements )	Nil	Nil	Nil
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**Spel Semiconductor Limited****Notes to Abridged Ind AS Financial Statements for the year ended 31st March,2018***(All amounts in ₹ Lakhs unless otherwise stated)*

## 11. Segment Information

( Note 3.7 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".

## 12. Related Party Disclosure

( Note 3.8 to the Ind AS Financial Statements )

## a) List of Parties where control exists

Ultimate Holding Company

Natronix Semiconductor technology Pvt.Limited

Subsidiary Company

## b) Other Related Parties

Fellow Subsidiary

Natronix Semiconductor technology Pvt.Limited

Subsidiary

- Spel America Inc.

Key Managerial Personnel

Mr.D.Balakrishnan

CEO and Director

Mr.V Srinivasan

Chief Financial Officer

Mr. S S Arunachalam

Company secretary

**Significant Related Party Transactions**

	2018	2017	April 1, 2016
a) List of parties where control exists			
Ultimate Holding company			
- Natronix Semiconductor Technology Pvt. Limited			
a. Business Promotion - Marketing fee	83.51	98.84	
b. Trade payable (net)	2,25.47	1,64.31	94.28
b) Subsidiary company			
- Spel America Inc.			
a. Business Promotion - Marketing fee	-	-	
b. Trade payable	35.79	35.60	54.11
c) Fellow subsidiaries			
- Natronix Semiconductor Technology Limited			
a. Sale of goods	4.25	-	
b. Trade receivable	0.37	-	-
d) Key management personnel			
Mr. D Balakrishnan, CEO and Director			
Remuneration	39.29	34.27	
Mr.V.Srinivasan, Chief Financial Officer			
Remuneration (From April 02, 2016)	15.47	14.74	
Mr S S Arunachalam, Company Secretary			
Remuneration	13.58	12.40	



**SPEL Semiconductor Limited**  
**Notes to the Ind AS Financial Statements**

(All amounts in ₹ Lakhs unless otherwise stated)

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

(Note 3.14 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	2017-18	2016-17	2015-16
The Principal amount (2017-18 : 2.30 ; 2016-17 : 2.60 ; 2015-16: 3.76 ) and the interest due (2017-18 : 5.56 ; 2016-17 : 3.99 ; 2015-16: 3.10 ) thereon remain unpaid to suppliers at the end of each accounting year.	7.86	6.59	6.86
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	0.30	0.98	2.48
The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.57	0.89	1.04
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 and Medium Enterprises Development Act, 2006.	5.56	3.99	3.10

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

**14.** 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 3.16 to the Ind AS Financial Statements)

**15.** SPEL America Inc has elected to dissolve and consequently has not been considered for consolidation for the year. (Note 3.17 to the Ind AS Financial Statements)

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

As Per our report of even date  
**For M.S.Krishnaswami & Rajan**  
Chartered Accountants  
Firm Registration No. 01554S

**M S Murali** - Partner  
Membership No. 26453

Place: Chennai  
Date: May 29, 2018

**For and on behalf of the Board**

**K.Ravikumar**  
Director  
DIN : 00119753

**N.Suryanarayanan**  
Director  
DIN : 02282919

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DIN : 00048351

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Director & CEO  
DIN : 02131242

**Enakshi Bhattacharya**  
Director  
DIN : 05277571

**V Srinivasan**  
Chief Financial  
Officer

**S.S. Arunachalam**  
Company Secretary





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, 2018 and reports of the Board of Directors and the Auditors thereon.			
2.	Re-appointment of Mr. D. Balakrishnan as the Director, liable to retire by rotation.			
3.	Appointment of Mr. K. Nandhiswaran, Chartered Accountant, as Statutory Auditor of the Company.			
Special Business				
4.	Appointment of Mr. N. Suryanarayanan as Independent Director.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

\_\_\_\_\_  
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.



Registered Book - Post

**33<sup>rd</sup> Annual Report  
2017-18**

TO

If undelivered, Please return to :

**SPEL Semiconductor Limited**

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