



SPEL Semiconductor Limited

an IC Assembly & Test Company

35th Annual Report 2019- 20

Defining The Future Through Partnerships



SPEL Semiconductor Limited

an IC Assembly & Test Company

35TH ANNUAL REPORT 2019-20

<p>Board of Directors</p> <p>1.Mr.Ravikumar -Director</p> <p>2.Mr.N.Suryanarayanan -Director</p> <p>3.Mr.M.Jayashanker -Director (Up to 13-02-2020)</p> <p>4.Dr.Enakshi Bhattacharya -Director</p> <p>5.Mr.S.Chandramohan -Director</p> <p>6.Mr.M.Balakrishnan - Whole-time Director & CEO</p> <p>Chief Financial Officer Mr.G.Venkatesan</p> <p>Auditors</p> <p>Mr.K.Nandhiswaran F.C.A : F.C.S, Chartered Accountant, #40A, 1st Circular Road, Jawahar Nagar, Chennai- 600 082.</p> <p>Registered Office& Factory</p> <p>5, CMDA Industrial Estate, Maraimalai Nagar, Chennai- 603209, India</p> <p>Bankers Indian Overseas Bank</p>	<p>Registrar & Share Transfer Agent</p> <p>Cameo Corporate Services Limited Subramanian Building, 1, Club House Road, Anna Salai, Chennai - 600002, Ph : +91-44-28460390 Fax : +91-44-28460129 E-mail: investor@cameoindia.com</p> <p>General Information</p> <p>(a) Company's Corporate Identification Number (CIN): L32201TN1984PLC011434</p> <p>(b) Company's Shares Listed at Bombay Stock Exchange Ltd.</p> <p>(c) Company's Shares are mandated for trading in demat mode.</p> <p>(d) ISIN allotted to Company's share is INE252A01019</p> <p>35th Annual General Meeting</p> <p>Date & Time</p> <p>31st December, 2020 at 12.00 Noon.</p> <p>Venue</p> <p>Through Video Conferencing</p> <p>Book closure</p> <p>25th December, 2020 to 31th December 2020 (both days inclusive)</p>
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Previous 10 Years Performance

	In Lacs									
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Sales	36,53.74	2,633.74	4,166.31	3,553.22	2,585.04	4,719.37	6,338.90	8,076.92	7,978.63	9,146.24
PBIDT	778.22	(301.68)	86.31	(2,298.94)	(986.62)	1,368.29	1,586.20	1,197.01	1,340.67	1,828.28
Finance Cost	142.61	2,84.37	289.16	215.67	304.40	404.29	470.37	584.01	325.12	173.25
PBDT	635.61	(586.05)	(202.85)	(2,514.61)	(1,291.02)	964.00	1,115.83	613.00	1,015.55	1,655.03
Depreciation	498.24	514.81	630.57	693.33	1,071.32	1,012.40	1,096.13	1,185.06	937.80	881.34
PBT	137.37	(1,100.86)	(833.42)	(3,207.94)	(2,362.34)	(48.40)	19.70	(572.06)	77.75	773.69
Tax Expense	29.29	(27.28)	13.64	(147.54)	(383.33)	(13.18)	(12.48)	(117.03)	20.81	320.71
PAT	108.08	(1,073.58)	(847.06)	(3,060.40)	(1,979.00)	(35.22)	32.18	(455.03)	56.94	452.98
Net Profit	108.08	(1,073.58)	(847.06)	(3,060.40)	(1,979.00)	(35.22)	32.18	(455.03)	56.94	452.98

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NOTICE

Notice is hereby given that the **35th Annual General Meeting of the Members of SPEL Semiconductor Limited will be held on Thursday the 31st day of December, 2020 at 12.00 Noon IST** through video conferencing(“VC”) / Other Audio Visual Mechanism (“OAVM”) to transact the following business:

Ordinary Business

1. Adoption of Financial Statements

To receive, consider and adopt the Balance Sheet as at Mar31, 2020 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. Ratification of Appointment of Auditors

“Resolved that pursuant to provisions of Section 139 of the Companies Act, 2013, and Rules thereunder re-appointment of Mr. K. Nandhiswaran, Chartered Accountant (M.No.207644), as Statutory Auditor of the Company to hold office from the conclusion of this AGM to the conclusion of the 3rd consecutive AGM, be and is hereby ratified”

1st December ,2020

Chennai.

By order of the Board,

For SPEL Semiconductor Limited

D.Balakrishnan

Whole Time Director & CEO

DIN: 02131242

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC /OAVM.

2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through

remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to leadcs@gmail.com with a copy marked to evoting@cdslindia.com.

5. The Register of Members and the Share Transfer books of the Company will remain closed from 25th December 2020 to 31st December 2020 (both days inclusive) for the purpose of Annual General Meeting of the Company.

6. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Member scan contact the Company or Company's Registrars and Transfer Agents, Cameo Corporate Services Limited for assistance in this regard.

7. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Cameo Corporate Services Limited in case the shares are held by them in physical form.

8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Cameo Corporate Services Limited in case the shares are held by them in physical form.

9. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting FormNo.SH-

10. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Cameo Corporate Services Limited in case the shares are held in physical form.

11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Cameo Corporate Services Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

13. Members desiring any clarification on accounts are requested to write to the Company at an early date through email on ca@spel.com so as to enable the Company to keep the information ready.

14. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May12, 2020, Notice of the AGM along with the Annual Report 2019- 20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.natronix.net, websites of the Stock Exchanges i.e.BSE Limited at www.bseindia.com, and on the website of CDSL:<https://www.evotingindia.com>.

15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice. Instructions for e-voting and joining the AGM are as follows:

a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules,2014 (as amended) and Regulation 44 of SEBI (Listing

Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorize de-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

b) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

c) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 27th December, 2020 at 9.00 am. and ends on 30th December, 2020 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24th December 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on "Shareholders" module.

(v) Now enter your UserID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number in the PAN field. • The Sequence no. is mentioned in the email intimation.

Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction(v).
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- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential
- (xi) For shareholders holding shares in physical form, the details can be used only fore-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the UserID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA emailid.
- ii) For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16digitDPID+CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/ RTA emailid.
- iii) The company/RTA shall coordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- i) Shareholder will be provided with a facility to attend the 35thAGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- ii) Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
- iii) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv) Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE 35thAGM ARE AS UNDER:-

- i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- ii) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- iii) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- iv) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- v) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least three days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at ca@spel.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id: ca@spel.com). These queries will be replied to by the company suitably by email.
- vi) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

(xx) Note for Non – Individual Shareholders and Custodians

- Non- Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz: ca@spel.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

Other Instructions:

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.Natronix.net and on the website of CDSL <https://www.evotingindia.com> immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company is listed.

I. Details of directors seeking appointment/ re-appointment at the ensuing Annual General Meeting as required under Regulation 36(3) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 are given hereunder:

Name of the Director	Mr. D.Balakrishnan
DIN	02131242
Date of Birth	Dec 8,1963
Date of Appointment	June 19, 2014
Qualification	Degree in Engineering (Electronics & Communication) from Bangalore University
Expertise in specific functional areas	He has over 24 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.
List of other Directorships held excluding foreign companies, Companies under Section 8 of the Companies Act, 2013 and Private Companies	Nil
Chairman / Member of the Committees of the Board of other Companies in which he is a Director	Nil
No. of shares held in the Company	10,000

Directors' Report

Your Directors present the **35th Annual Report** of the Company together with the Audited Accounts for the year ended Mar 31, 2020. Financial Highlights / Performance/ the Operating results of your Company as per IndAS Financial Statements for the year ended Mar 31, 2020 are given below:

1. Financial Highlights/Performance

Rs in lakhs

Particulars	Year ended Mar 31, 2020	Year ended Mar 31, 2019
Sales	36,53.74	26,33.74
Other Income	179.65	4,86.10
PBIDT	778.22	(3,01.68)
Finance Cost	142.61	2,84.37
Depreciation	498.24	5,14.81
Profit / (Loss) before Taxation	137.37	(11,00.86)
Tax Expense	29.29	(27.28)
Profit / (Loss) after Taxation	108.08	(10,73.58)

Company's performance

During the year under review the overall performance of your Company got improved significantly. The turnover of the company increased by 22.87 % as compared to the previous year. Sincere efforts taken by the marketing team together with the sustained marketing strategy evolved by the company yielded sufficient growth with better prospects in the years to come. Your Company had maintained good relationship with all its Customers in US & Europe and has seen good improvement in capturing business from one of the big Customers in the US. It is expected to improve production orders in FY 2020-21. The outlook for FY 2020-21 is good and SPEL has plans to induct new Customers from Europe & US regions.

2 Dividend

Due to insufficiency of profits during the year under review, dividend could not be paid during the year.

The Global Semiconductor Industry:

The Semiconductor Industry Association (SIA) today announced worldwide sales of semiconductors totaled \$113.6 billion during the third quarter of 2020, an increase of 11.0 percent over the previous quarter and 5.8 percent more than the third quarter of 2019. Global sales for the month of September 2020 were \$37.9 billion, an increase of 4.5 percent over last month's total and 5.8 percent more than sales from September 2019. All monthly sales numbers are compiled by the World Semiconductor Trade Statistics (WSTS) organization and represent a three-month moving average. SIA represents 95 percent of the U.S. semiconductor industry by revenue and nearly two-thirds of non-U.S. chip firms.

The global semiconductor industry posted solid sales in the third quarter of 2020, reflecting normal seasonal trends and increased demand for semiconductor-enabled products, but significant market uncertainty remains due to the pandemic and other macroeconomic factors.

Regionally, sales increased on a month-to-month basis in China (7.9 percent), Asia Pacific/Al Other (3.3 percent), Europe (3.3. percent), the Americas (2.2 percent), and Japan (1.5 percent). On a year-to-year basis,

sales increased in the Americas (20.1 percent), China (6.5 percent), and Asia Pacific/All Other (2.9 percent), but decreased in Japan (-1.8 percent) and Europe (-9.8 percent).

Market Drivers

Demand for PC semiconductors will decline by an estimated 3 to 9 percent in 2020, mostly because companies will delay planned hardware upgrades and other long-term migration projects. Stable laptop and tablet demand will partly offset this drop, since many consumers will upgrade their private IT infrastructure to support their work or homeschooling activities, even if they are cutting back in other areas. These one-time IT equipment upgrades will not be repeated to the same extent in later years if the downturn persists and consumers cut back spending even further. This fact, combined with enterprises decreasing computer replacements to manage their liquidity, could further erode semiconductor sales after 2020 if the crisis persists.

Demand for semiconductors used in wireless communication applications will see one of the sharpest drops in 2020, with an expected decrease of 11 to 26 percent. The level of mobile-phone sales, the primary demand driver in this category, has historically been well correlated with GDP and thus is expected to drop significantly over the coming months. (Sharp decreases have already been documented in areas where COVID-19 is prevalent, especially China). We also expect consumer preferences to shift to less expensive phones, which will also negatively affect demand for semiconductors. The recovery of mobile-phone sales will vary by geography, with China likely to see an uptick before Europe and the United States, since its economy is closer to recovery.

Semiconductor companies provide components for many consumer-electronics products, including video games, televisions, and watches. Consumers use discretionary funds to purchase most products in this category, so demand is highly correlated with local GDP. We expect demand for consumer-electronics semiconductors to drop by 2 to 12 percent in 2020. While significant, this decrease is lower than the drop seen within wireless communication—another area where end-market sales are closely tied to local GDP.

Sales of semiconductors for automotive applications primarily depend on car sales volume and the level of vehicle digitization and electrification. Since global automotive demand has already fallen sharply this year and will likely decline further over coming months, the automotive semiconductor market is expected to decrease by 10 to 27 percent in 2020. Semiconductor companies will likely not feel any effect until late in the second quarter, however, due to the long lead times of automotive semiconductors.

Within industrial applications, the major demand drivers for semiconductors include investments in medical electronics, aerospace equipment, power and energy products, as well as upgrades to lighting solutions. Demand is expected to decline for all of these end markets through 2020 as companies postpone infrastructure investments, reduce manufacturing activities, or decrease operations. Overall, semiconductor demand for industrial applications is expected to fall 1 to 11 percent this year.

For medical electronics, demand in certain medical-device categories that are directly related to the management of COVID-19, including ventilators, X-ray machines, and diagnostic tools, has sharply increased since the start of the outbreak. However, there will be even steeper demand declines in other areas that will offset such extreme demand spikes for critical treatment products because many hospitals are postponing purchases to improve liquidity.

COVID Impact on Semiconductor Industry:

The semiconductor industry may not be witnessing the direct wrath of the coronavirus crisis so far, but it is probably going to suffer the repercussions because the outbreak slows or suspends production among electronics manufacturers. The real damage for the semiconductor industry lies ahead because the

coronavirus disrupts production at electronic manufacturing companies that represent a number of the world's largest semiconductor purchases.

Notably, the U.S. tech industry is predicted to be disturbed the foremost because of its dependency on China as both, a severe market and a critical supplier for its goods. The blacklisting of Huawei, thanks to the U.S.-China trade war led to tensions between tech companies within the U.S. and China, which had an impact of about \$26 billion, to which the coronavirus outbreak is supposed to add more fuel. The effect of the virus is pushing the tech companies to shut their offices and manufacturing units also as restricting non-essential business visit the country. A number of the tech majors to announce such travel restrictions include the likes of Apple, Microsoft, Tesla, Google and Amazon.

All chip end markets are going to be impacted, but that discretionary consumer-centric end markets are going to be affected the foremost. Although semiconductor supply seems to be uninterrupted, suppliers in China are encountering challenges associated with this outbreak. For overseas semiconductor organizations, especially fabless firms, the best problem is import and export logistic. Due to the effective control of "flights in and out of China, many government staff members haven't returned to the area. As a result, the import/export process in China now's taking for much longer than before, slowing the pace of commerce". Furthermore, the Semiconductor Industry Association has sent letters to the Trump administration and federal officials urging them to designate semiconductor businesses as "essential" so that their U.S. operations can continue amid state and native coronavirus shutdowns.

For chipmakers, the impact is much serious within the package and testing realm because of shortages in labor, and several packages and testing plants in China have reduced or decreased operations. This has created a challenging environment for chip companies that believe such back-end package and testing capacity. At this time, many small and medium-sized chip design companies are faced with the dilemma of being unable to get sufficient production capacity from package suppliers. If this production holds up continues for an extended period, these design companies may face bankruptcy or acquisition.

EMS companies are running at about 25% because of workforce issues. This is often within the virus-affected areas. Other organizations will begin to ascertain them, offering salary or bonus incentives to people who show up to figure. Some EMS companies have already started transferring manufacturing to Taiwan, Vietnam, etc., because of tariff issues. This might solve the workforce issue. But, if piece part shortages exist, having an entire workforce won't solve that issue.

China exports around 50% of the worldwide technology supply chain; hence the global tech sector is predicted to face massive disruptions because of the spread of the coronavirus and its effects on production in China. The outbreak has already valued at 12% decline in smartphone production, while smart watch production set down a drop of about 16%. Laptops, PCs and smart speakers are other products that have set down significant declines. While the tech industry might not see the direct and immediate impact of coronavirus, the decline in production and supplier numbers can cause sales and financial worries for tech giants within the coming months. Companies from various business verticals are predicted to look out to other countries for supplies, opening opportunities for the remainder of the planet.

Semiconductor Mergers:

Semiconductor deals have slowed in recent years because of a U.S.-China trade war and concern among some American policy makers that China is pursuing illicit means to acquire key technology. The attempt to buy Cypress by a German company is seen as a important test of how far the Trump administration is willing to go to curb China's ambitions.

Qualcomm Inc. decided to scrap its \$44 billion bid for rival chipmaker NXP Semiconductors NV in 2018 after an almost two-year wait for approval. Analog Devices acquired Maxim in an all-stock deal valued at \$21

billion, the biggest merger of 2020 in the semiconductor sector. The deal combines the second and third biggest linear analog chip makers.

Texas Instruments, however, remains the biggest player in analog, with 2019 revenues of \$9.6 billion, compared to about \$7 billion combined revenues for the newly merged companies. TI finished with about \$14 billion overall in 2019, making it the seventh largest semiconductor maker, while Maxim was 19th and Maxim 31st, according to an Omdia tally of 150 global semi makers.

We do not expect the average annual M&A run rate of \$30bn a year to increase over the next two to three years. M&A will be driven in part by the leading chip companies using M&A to cut costs, round out R&D resources, and acquire skilled design, AI, and data management personnel. The big players will continue to fund or acquire AI start-ups from the large populations in the US, Israel, and China. Alibaba will be especially active.

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The OSAT industry to experience a second consecutive year of slowdown in 2020, as we forecast smartphone sales to decline by a mid-single-digit percentage due to weak demand and production disruption, following declines of 2% in 2019 and 4% in 2018. International Data Corporation (IDC) predicts that there is a higher than 50% chance that worldwide semiconductor revenue will decline by 6% in 2020. We also expect the chip assembly and test supply chain to be severely affected at least in 1H20, which will lead to production disruptions at most OSAT vendors. Slower 5G adoption and a longer smartphone replacement cycle will also weigh on demand.

Wafer suppliers such as foundries and IDMs are able to maintain their manufacturing operations due to their high degree of industrial automation. In addition, their major expansion plans are projected to take place after making some strategic adjustments. But as the pandemic persists, regions such as Taiwan, South Korea, Europe, the U.S., and Japan are attempting to curb the spread by restricting border entry or adopting telework arrangements. These efforts, along with the health of the European, American, and Japanese supply chains of key equipment and raw materials, will be factors determining foundry operations in the future.

With regards to the demand side, foundries are able to maintain their capacity utilization rate by fulfilling orders from 4Q19 and by their clients' restocking demands. In contrast with the IC design or OSAT industries, the foundry industry's revenue in 1Q20 has felt less impact from the pandemic. But the rapid global spread of the pandemic is projected to affect not only the global economy, but also personal and corporate purchasing power, to be potentially reflected in foundry revenue performances from 2Q20 onwards.

The packaging and testing, or outsourced semiconductor assembly and test (OSAT), industry previously suffered major declines due to the China-U.S. trade war; the pandemic's current effect on the industry thus appears relatively minor in comparison. Forecasters expects OSAT revenue in 1Q20 to trend either flat or upwards YoY, while the industry's performance in 2Q20 and later will depend on client demand.

The Indian Semiconductor Industry

The semiconductor industry has become a strategic sector and has a tremendous economic impact. But India lags behind in semiconductor manufacturing compared to other developed countries. Many experts have said that India needs to design and manufacture critical components involved in storage and processing, and this is important for our national security.

The electronics and semiconductor requirements for various sectors including defence, IT, manufacturing is critical for the future of India's economy, but we are totally dependent on imports as of now.

3. 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 :

Business Ethics : defines us as a Company

Professionalism : defines us as Individuals

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.

4. 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

5. 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

6. Adequacy of internal financial controls

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

7. Subsidiary/Joint Ventures/Associate Companies

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

8. 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.

9. Statutory Auditors

Mr.K.Nadhiswaran, CharteredAccountant, has expressed his consent for the re-appointment as Statutory Auditor for the Financial Year 2020-21 and has confirmed that the appointment, if made, will be in accordance with the limits specified under Section 139 of the Companies Act2013.

10. Share Capital

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

11. Extract of the Annual Return

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

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

The details of conservation of energy, technology absorption, foreign exchange earnings and out go 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	52,292 Units
Savings in Water consumption	731 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: \$ 483 Lakhs

Foreign Exchange earned during the year : \$ 1,252 Lakhs

13. Research & Development

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.

14. Directors and Key Managerial Personnel

Mr. D. Balakrishnan, who retires by rotation and being eligible, offers himself for re-appointment.

During the year under review, Mr.M.Jayasankar ceased to be the Director of the company and the Board records the services rendered by the Director during the tenure of office as Director.

15. Number of meetings of the Board

Five 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.

16. Audit Committee

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

17. Vigil mechanism for Directors and Employees

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

18. 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

19. Loans, guarantees or investments

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

20. 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.

21. Managerial Remuneration

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

22. Secretarial Audit Report

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

23. 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.

24. 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.

25. 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.

26. 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.

27. 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.
- (g) 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 2019-20.

Acknowledgements

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

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

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

N. Suryanarayanan
Director

D. Balakrishnan
Whole Time Director &CEO

S. Chandramohan
Director

DIN 02282919

DIN: 02131242

DIN 00052571

31st August 2020
Chennai

Form No. AOC -2

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

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

1.Details of contracts or arrangements or transactions not at arm's length basis :
Nil

2.Details of materials contracts or arrangement or transactions at arm's length basis :
Nil

August 31,2020
Chennai

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

D. Balakrishnan
Whole Time Director &CEO
DIN:02131242

L.	Particulars	Explanation medianRemuneration.	Ratio to									
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	1.65									
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.	Nil										
4.	The number of permanent employee on the rolls of the company.	268 Employees										
5.	The explanation on the relationship between average increase in remuneration and company performance	Increase in the remuneration of employees is in line with industry standards										
6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.	The remuneration of the KMP's are in the with the remuneration policy of the company where there remuneration is determined based on their performance which is co related to the performance of the Company.										
7.	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies the variations in the net worth of the company as at the close of the current financial year and previous financial year.	<table border="0"> <tr> <td>Particulars</td> <td>Mar31,2020</td> <td>%Change</td> </tr> <tr> <td>Market capitalization</td> <td>14,52,69,945</td> <td>(-72%)</td> </tr> <tr> <td>Price Earnings Ratio</td> <td>13.70</td> <td>487.80%</td> </tr> </table>		Particulars	Mar31,2020	%Change	Market capitalization	14,52,69,945	(-72%)	Price Earnings Ratio	13.70	487.80%
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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 2020.</p> <table border="0" data-bbox="810 719 1292 1034"> <tr> <td>Revenue in(Lakhs)</td> <td style="text-align: right;">3833.39</td> </tr> <tr> <td>Remuneration ofKMPs (as% of revenue)</td> <td style="text-align: right;">1.08%</td> </tr> <tr> <td>Profit before tax (PBT)(Lakhs)</td> <td style="text-align: right;">134.65</td> </tr> <tr> <td>Remuneration of KMPs (as%ofPBT)</td> <td style="text-align: right;">30.76</td> </tr> </table>	Revenue in(Lakhs)	3833.39	Remuneration ofKMPs (as% of revenue)	1.08%	Profit before tax (PBT)(Lakhs)	134.65	Remuneration of KMPs (as%ofPBT)	30.76
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Profit before tax (PBT)(Lakhs)	134.65									
Remuneration of KMPs (as%ofPBT)	30.76									
	The key parameters of any variable component of remuneration availed by the directors	Not Applicable								
	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable								
	Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration of Directors, Senior Management and Employees is as per the Remuneration Policy of the Company.								

Management Discussion & Analysis

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

The Global Semiconductor Industry:

The Semiconductor Industry Association (SIA) today announced worldwide sales of semiconductors totaled \$113.6 billion during the third quarter of 2020, an increase of 11.0 percent over the previous quarter and 5.8 percent more than the third quarter of 2019. Global sales for the month of September 2020 were \$37.9 billion, an increase of 4.5 percent over last month's total and 5.8 percent more than sales from September 2019. All monthly sales numbers are compiled by the World Semiconductor Trade Statistics (WSTS) organization and represent a three-month moving average. SIA represents 95 percent of the U.S. semiconductor industry by revenue and nearly two-thirds of non-U.S. chip firms.

The global semiconductor industry posted solid sales in the third quarter of 2020, reflecting normal seasonal trends and increased demand for semiconductor-enabled products, but significant market uncertainty remains due to the pandemic and other macroeconomic factors.

Regionally, sales increased on a month-to-month basis in China (7.9 percent), Asia Pacific/All Other (3.3 percent), Europe (3.3 percent), the Americas (2.2 percent), and Japan (1.5 percent). On a year-to-year basis, sales increased in the Americas (20.1 percent), China (6.5 percent), and Asia Pacific/All Other (2.9 percent), but decreased in Japan (-1.8 percent) and Europe (-9.8 percent).

Market Drivers

Demand for PC semiconductors will decline by an estimated 3 to 9 percent in 2020, mostly because companies will delay planned hardware upgrades and other long-term migration projects. Stable laptop and tablet demand will partly offset this drop, since many consumers will upgrade their private IT infrastructure to support their work or homeschooling activities, even if they are cutting back in other areas. These one-time IT equipment upgrades will not be repeated to the same extent in later years if the downturn persists and consumers cut back spending even further. This fact, combined with enterprises decreasing computer replacements to manage their liquidity, could further erode semiconductor sales after 2020 if the crisis persists.

Demand for semiconductors used in wireless communication applications will see one of the sharpest drops in 2020, with an expected decrease of 11 to 26 percent. The level of mobile-phone sales, the primary demand driver in this category, has historically been well correlated with GDP and thus is expected to drop significantly over the coming months. (Sharp decreases have already been documented in areas where COVID-19 is prevalent, especially China). We also expect consumer preferences to shift to less expensive phones, which will also negatively affect demand for semiconductors. The recovery of mobile-phone sales will vary by geography, with China likely to see an uptick before Europe and the United States, since its economy is closer to recovery.

Semiconductor companies provide components for many consumer-electronics products, including video games, televisions, and watches. Consumers use discretionary funds to purchase most products in this category, so demand is highly correlated with local GDP. We expect demand for consumer-electronics semiconductors to drop by 2 to 12 percent in 2020. While significant, this decrease is lower than the drop seen within wireless communication—another area where end-market sales are closely tied to local GDP.

Sales of semiconductors for automotive applications primarily depend on car sales volume and the level of vehicle digitization and electrification. Since global automotive demand has already fallen sharply this year and will likely decline further over coming months, the automotive semiconductor market is expected to decrease by 10 to 27 percent in 2020. Semiconductor companies will likely not feel any effect until late in the second quarter, however, due to the long lead times of automotive semiconductors.

Within industrial applications, the major demand drivers for semiconductors include investments in medical electronics, aerospace equipment, power and energy products, as well as upgrades to lighting solutions. Demand is expected to decline for all of these end markets through 2020 as companies postpone infrastructure investments, reduce manufacturing activities, or decrease operations. Overall, semiconductor demand for industrial applications is expected to fall 1 to 11 percent this year.

For medical electronics, demand in certain medical-device categories that are directly related to the management of COVID-19, including ventilators, X-ray machines, and diagnostic tools, has sharply increased since the start of the outbreak. However, there will be even steeper demand declines in other areas that will offset such extreme demand spikes for critical treatment products because many hospitals are postponing purchases to improve liquidity.

COVID Impact on Semiconductor Industry:

The semiconductor industry may not be witnessing the direct wrath of the coronavirus crisis so far, but it is probably going to suffer the repercussions because the outbreak slows or suspends production among electronics manufacturers. The real damage for the semiconductor industry lies ahead because the coronavirus disrupts production at electronic manufacturing companies that represent a number of the world's largest semiconductor purchases.

Notably, the U.S. tech industry is predicted to be disturbed the foremost because of its dependency on China as both, a severe market and a critical supplier for its goods. The blacklisting of Huawei, thanks to the U.S.-China trade war led to tensions between tech companies within the U.S. and China, which had an impact of about \$26 billion, to which the coronavirus outbreak is supposed to add more fuel. The effect of the virus is pushing the tech companies to shut their offices and manufacturing units also as restricting non-essential business visit the country. A number of the tech majors to announce such travel restrictions include the likes of Apple, Microsoft, Tesla, Google and Amazon.

All chip end markets are going to be impacted, but that discretionary consumer-centric end markets are going to be affected the foremost. Although semiconductor supply seems to be uninterrupted, suppliers in China are encountering challenges associated with this outbreak. For overseas semiconductor organizations, especially fabless firms, the best problem is import and export logistic. Due to the effective control of "flights in and out of China, many government staff members haven't returned to the area. As a result, the import/export process in China now's taking for much longer than before, slowing the pace of commerce". Furthermore, the Semiconductor Industry Association has sent letters to the Trump administration and federal officials urging them to designate semiconductor businesses as "essential" so that their U.S. operations can continue amid state and native coronavirus shutdowns.

For chipmakers, the impact is much serious within the package and testing realm because of shortages in labor, and several packages and testing plants in China have reduced or decreased operations. This has created a challenging environment for chip companies that believe such back-end package and testing capacity. At this time, many small and medium-sized chip design companies are faced with the dilemma of being unable to get sufficient production capacity from package suppliers. If this production holds up continues for an extended period, these design companies may face bankruptcy or acquisition.

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We do not expect the average annual M&A run rate of \$30bn a year to increase over the next two to three years. M&A will be driven in part by the leading chip companies using M&A to cut costs, round out R&D resources, and acquire skilled design, AI, and data management personnel. The big players will continue to fund or acquire AI start-ups from the large populations in the US, Israel, and China. Alibaba will be especially active..

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The electronics and semiconductor requirements for various sectors including defence, IT, manufacturing is critical for the future of India's economy, but we are totally dependent on imports as of now.

SPEL Positioning

- a. The first quarter of 2020-21 has seen decrease as against the forecasted numbers due to overall downturn of semiconductor industry owing to the COVID situation. Material issues & equipment issues was also a major concern, which is being resolved in currently which was hampered by the multiple lockdowns and will be stabilized sooner
- b. SPEL maintains its relationship with all Customers in good form and putting efforts to meet their QCDS factors. SPEL extends various Value-Added Services to all its Customers which help to attract additional volumes.
- c. The communication frequency with Customers & Sales Representatives increased and SPEL uses all electronic media (eMails, Conference calls, Skype calls, Whatsapp calls, etc.) to interact with Customers
- d. Contribution of Sales Representatives is also ensured to bring in new business & to reach Customers in case of any delay in shipments and unable to meet their requirements. They are advised to bring in new Customers & new products. Weekly calls with them is being done to ensure their activities are up to the expectations
- e. SPEL reaches its Suppliers, Vendors and Customers to refer any new Customers if they have come across and this has provided positive results. Few new Customer inducted through this methodology
- f. The outlook for next quarter is bit critical as the overall Semiconductor market for next quarter will see down due COVID pandemic. The overall market is affected and Customers aimed not to build excess inventory and to exhaust all available inventory. Medical electronics is the only area which will see increase and other products will be in lower demand. This may affect SPEL's business however approaching Customers & visits shall be increased to bring orders.
- g. Sales representatives are also advised to increase the frequency with the Customers whom they are dealing.
- h. New RFQs received from various Customers in this Quarter including new Customers. Quotations have been submitted and few of them converted into business and working on other RFQs to get business
- i. Focus for FYQ2 would be in the following areas :
 - i. Adding new Customers – Planning to add new Customers both in Europe & US regions. Three new Customers identified and SPEL is closely working with them in Europe

ii. Maintaining Inventory – In the past, delayed material delivery was one of the concerns for having lower volumes. SPEL ensures to have adequate inventory to address Customers FC in this quarter

August 31, 2020

Chennai

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

D. Balakrishnan

Whole Time Director &CEO

DIN:02131242

Form No. MGT-9**EXTRACT OF ANNUAL RETURN****as on the financial year ended on Mar 31, 2020**

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

1. REGISTRATION AND OTHER DETAILS

i. CIN	32201TN1984PLC11434
ii. Registration Date	26.12.1984
iii. Name of the Company	SPEL Semiconductor Limited
iv. Category / Sub-Category of the Company	Limited by Shares
v. Address of the Registered office and contact details	5 CMDA Industrial Estate, MM Nagar (Chennai) 603 209 Tel : 044 - 4740 5300
vi. Whether listed company Yes / No	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited, "Subramanian Building", V Floor 1, Club House Road, Chennai 600 002, Tel: 044 - 2846 0390 - 94 Fax: 044 - 2746 0129 Email : investor@cameoindia.com Contact person: Mr. Murali

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

II. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV.SHARE HOLDING PATTERN:

(Category wise holding)

Category code	Category of Shareholder	No.of shares at the beginning of the year				No.of shares at the end of the year			
		Dematerialized Form	Physical Form	Total	% of total Shares	Dematerialized Form	Physical Form	Total	% of total Shares
(A)	Promoters								
1	Indian								
(a)	Individuals/ Hindu Undivided Family	1477573	0	1477573	3.20%	1477573	0	1477573	3.20%
(b)	Central Government/ State Government(s)	0	0	0	0.00%	0	0	0	0.00%
(c)	Bodies Corporate	0	0	0	0.00%			0	0.00%
(d)	Financial Institutions/ Banks	0	0	0	0.00%	0	0	0	0.00%
(e)	Any Others(Specify)	0	0	0	0.00%	0	0	0	0.00%
	Sub Total(A)(1)	1477573	0	1477573	3.20%	1477573	0	1477573	3.20%
2	Foreign								
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00%	0	0	0	0.00%
b	Bodies Corporate	25811207	0	25811207	55.97%	25811207	0	25811207	55.97%
c	Institutions	0	0	0	0.00%	0	0	0	0.00%
d	Any Others(Specify)	0	0	0	0.00%	0	0	0	0.00%
	Sub Total(A)(2)	25811207	0	25811207	55.97%	25811207	0	25811207	55.97%
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	27288780	0	27288780	59.17%	27288780	0	27288780	59.17%
(B)	Public shareholding								
1	Institutions								
(a)	Mutual Funds/ UTI	0	8600	8600	0.02%	8600	0	8600	0.02%
(b)	Financial Institutions / Banks	0	100	100	0.00%	1500	100	1600	0.00%
(c)	Central Government/ State Government(s)	0	0	0	0.00%	0	0	0	0.00%
(d)	Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%
(e)	Insurance Companies	0	0	0	0.00%	0	0	0	0.00%
(f)	Foreign Institutional Investors	9000	0	9000	0.02%	9000	0	9000	0.02%
(g)	Foreign Venture Capital Investors	0	0	0	0.00%	0	0	0	0.00%
(h)	Any Other (specify)	0	0	0	0.00%	0	0	0	0.00%
	Sub-Total (B)(1)	9000	8700	17700	0.04%	19100	100	19200	0.04%
B 2	Non-institutions								
(a)	Bodies Corporate								

(i)	Indian	1648155	20780	1668935	3.62%	0	0	0	0.00%
(b)	Individuals			0					
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 2 lakh	9931921	2439187	12371108	26.83%	11272052	2334640	13606692	29.50%
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	3345666	0	3345666	7.25%	3815185	0	3815185	8.27%
(c)	Any Other (Clearing members)	18468	0	18468	0.04%		0	0	0
(c-i)	Hindu Undivided Families	1028467	32	1028499	2.23%	1028467	32	1028499	2.23%
(c-ii)	Non Resident Indians	328444	37600	366044	0.79%	328444	37600	366044	0.79%
(c-iii)	Trusts	2938	1000	3938	0.01%	2938	1000	3938	0.01%
(c-iv)	Employees	0	8305	8305	0.02%		8305	8305	0.02%
	Sub-Total (B)(2)	16304059	2506904	18810963	40.79%	16447086	2381577	18828663	40.83%
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	16313059	2515604	18828663	40.83%	16466186	2381677	18847863	40.87%
	TOTAL (A)+(B)	43601839	2515604	46117443	100.00%	43735866	2381577	46117443	100.00%
(C)	Shares held by Custodians and against which Depository Receipts have been issued								
1	Promoter and Promoter Group	0	0	0	0.00%	0	0	0	0.00%
2	Public	0	0	0	0.00%	0	0	0	0.00%
	Sub-Total (C)	0	0	0	0.00%	0	0.00	0	0.00%
	GRAND TOTAL (A)+(B)+(C)	43601839	2515604	46117443	100.00%	43735866	2381577	46117443	100.00%

(ii) Promoters Shareholding

Sl No	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No of shares	% of total Shares of the company	% Shares Pledged or otherwise encumbered to total shares	No of shares	% of total Shares of the company	% Shares Pledged or otherwise encumbered to total shares	
1	27288780	59.17%	0	27288780	59.17%	0	0.00%
	27288780	59.17%		27288780	59.17%		0.00%

(iii) Changes In Promoters shareholding : Nil

(iv) Shareholding Pattern of Top ten shareholders

Sl No	For each of the top 10 shareholders	No of shares	% of total Shares of the company	No of shares	% of total Shares of the company
	At the beginning of the year				
1	Hitesh Ramji Jhaveri	627000	1.36%	0	16.43%
2	Nirami Bang Financial Services Private Limited	264242	0.57%	0	6.92%
3	Angel Fincorp Private Limited	207350	0.45%	0	5.43%
4	Alphonsus Fernandes	207350	0.45%	0	5.43%
5	Tanvi Jignesh Mehta	214180	0.46%	0	5.61%
6	Suman Garg	113465	0.25%	0	2.97%
7	Anil Garg	96360	0.21%	0	2.53%
8	Niraj Haresh Shah	105327	0.23%	0	2.76%
9	Prakash Chandra Modi	100000	0.22%	0	2.62%
10	Simplex Properties & Trading Private Limited	100000	0.22%	0	2.62%
		2035274	4.41%		53.33%
	Datewise Increase/ Decrease in shareholding specifying the reasons for Increase /Decrease:				
	At the end of the year				
1	Venkatachalam B	115000	3.01%	0	3.01%
2	Raja Rajeswari Mohan	111000	2.91%	0	2.91%
3	Anand Mohan	76000	1.99%	0	1.99%
4	Atul Babubai Chauhan	36668	0.96%	0	0.96%
5	Ravie N S	31300	0.82%	0	0.82%
6	Mukul Kumar Madan Gopal Daga	15740	0.41%	0	0.41%
7	Rajesh	14100	0.37%	0	0.37%
8	Aditya Birla Money Limited	13212	0.35%	0	0.35%
9	Mani A	12500	0.33%	0	0.33%
10	Pooja	12000	0.31%	0	0.31%
	Total	437520	11.47%		11.47%

v) Shareholding of Directors and Key Managerial Personnel

SI No	For each of the Directors & KMP	Shareholding at the beginning of the year	% of total Shares of the company	Cumulative Shareholding during the year	% of total Shares of the company
		No of shares		No of shares	
	At the beginning of the year				
1	M.Ravikumar	0	0.00%	0	0.00%
2	N.Surayanarayanan	0	0.00%		0.00%
3	M.Jayashankar	0	0.00%		0.00%
4	Enakshi Bhattacharya	0	0.00%		0.00%
5	S.Chandramohan	0	0.00%		0.00%
6	D.Balakrshnan	10000	0.02%		0.00%
7	V.Srinivasan	0	0.00%		0.00%
8	S.S.Arunachalam	0	0.00%	0	0.00%
9		0	0.00%	0	
		10000	0.02%		0.00%

V .INDEBTENDNESS

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

	Secured Loans Excluding deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	7,40.00	623.92	1,363.92
ii) Interest due but not paid	---	-	-
iii) Interest accrued but not due	36.59	89.36	125.95
Total (i+ii+iii)	7,76.59	713.28	1489.87
Change in Indebtedness during the financial year			
i) Addition			
a. Principal	63.17	437.81	500.98
b. Interest accrued but not due			
ii) Reduction			
a. Interest due but not paid	68.35	164.09	232.44
Net Change	(5.18)	273.71	268.53
Indebtedness at the end of the financial year			
i) Principal Amount	7,40.00	623.92	1363.92
ii) Interest due but not paid			

iii) Interest accrued but not due	31.41	(184.36)	(152.95)
Total	7,71.41	439.56	1210.97

VI. Remuneration of Directors and Key Managerial Personnel

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

SL. No.	Particulars of Remuneration	Mr.D.Balakrishnan Whole Time Director (`)	Total Amount (`)
1.	Gross Salary		
	a.Salary as per provisions contained in section 17(1) of the Income Tax Act 1961		
	b.Value of perquisites u/s 17(2) Income Tax Act, 1961	23,51,639	23,51,639
	c.Profits in lieu of salary under section 17(3) Income Tax 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Enquiry	Nil	Nil
4.	Commission	Nil	
	- as % of Profit		
	- others specify	Nil	Nil
5.	Other please specify	Nil	Nil
	Total (A) Ceiling as per Act.	23,51,639	23,51,639

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors					Total Amount (`)
	Mr. K. Ravikumar(`)	Mr. N.Suryanarayanan(`)	Mr. M. Jayasankar(`)	Dr. Enakshi Bhattacharya(`)	Mr. S. Chandra Mohan (`)	
Independent Directors						
• Fees for attending board / Committee meetings	16,000 --- 0	53,000 --- 7500	27,000 --- 7500	56,000 --- 16,500	67,000 --- 9000	2,19,000 --- 40,500
• Commission						
• Others, please specify						
Other Non Executive Directors	---	---	---	---	---	---
Total Management Remuneration	16,000	60,500	34,500	72,500	76,000	2,59,500
Overall ceiling as per the Act	NA	NA	NA	NA	NA	NA

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

SL No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary (`)	CFO (`)	Total Amount (`)
1.	Salary	8,58,032/-	9,32,438/-	17,90,353/-

IV. Penalties/ Punishments/Compounding of offences: Nil

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

August 31, 2020**Chennai****By order of the Board****for SPEL Semiconductor Limited****D. Balakrishnan****Whole Time Director & CEO****DIN:02131242**

Form No. MR-3

SECRETARIAL AUDIT REPORT

FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

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

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

Based on my verification of SPEL Semiconductor Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the company has, during the audit period covering its financial year ended on 31st March, 2019 complied with the statutory provisions listed here under and also the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulations) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

- a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009. - **Not Applicable as the company has not issued any further capital under the regulations during the period under review**
- d) The Securities and Exchange Board of India (Employees stock option Scheme and Employees Stock Purchase Scheme Guidelines, 1999); - **Not Applicable as the Company has not issued any stock option scheme during the financial year under review.**

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) regulations 2008; - **Not Applicable as the company has not issued and listed any debt Securities during the financial year under review.**

f) The Securities and Exchange Board of India (Registrars to an issue and Share transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; and - **Not Applicable as the Company has not delisted /proposed to delist its equity shares from any Stock Exchange during the financial year under review.**

h) The Securities and Exchange Board of India (buyback of Securities) Regulations, 1998; - **Not applicable as the Company has not bought back I proposed to buy-back any of its securities during the financial year under review.**

(vi) Any other Applicable Laws like

- a) The Factories Act 1948
- b) The Industrial Dispute Act 1947
- c) The Payment of wages Act 1936
- d) The Minimum Wages Act 1948
- e) The Employees State Insurance Act ,1948
- f) The Employees' Provident Fund and Miscellaneous Provision Act, 1952
- g) The payment of bonus Act, 1965
- h) The Payment of Gratuity Act, 1972
- i) The Contract Labour Abolition Act 1970
- j) The Maternity Benefit Act 1961
- k) The Child Labour (prohibition and regulation Act 1986
- l) The Industrial Employment (Standing Orders) Act 1946
- m) The Employees' Compensation Act 1923(earlier known as Workman's Compensation Act 1923)
- n) The Apprentice Act, 1961
- o) The Equal Remuneration Act, 1976
- p) The Employment Exchange (Compulsory Notification of Vacancies Act) 1956

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

1. The Company has engaged contract employees but the copy of Registration Certificate and the amendment of the same were not available as per The Contract Labour (Regulation & Abolition) Act -1970 and Rules 1975.

2. Maintenance of Registers

- i) The Various Registers which has to be maintained under various acts such as,**
- ii) The Payment of Wages Act – 1936 and Tamil Nadu Rule 1937,**
- iii) The Minimum Wages Act – 1948 and Tamil Nadu Rule 1953,**
- iv) The Tamil Nadu Labour Welfare Fund Act – 1972 and Rules – 1973**
- v) The Payment of Bonus Act 1965 and Rules 1975 has not been maintained.**

3. Monthly Contribution remittance under the acts, The Employees Provident Funds and Miscellaneous Provisions Act – 1952 and The Employees State Insurance Act – 1948 has not been remitted before due dates.

4. Various abstract and notices which has to be displayed under several acts such as

- **The Industrial Employment (Standing Orders) Act – 1946 and Tamil Nadu rules 1953**
- **The Maternity Benefit Act – 1961 and rules – 1963**
- **The Employee Compensation Act - 1923 and Tamil Nadu Workmen Compensation Rules, 1934.**

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

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

(i) Secretarial Standards with regard to Meeting Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI);

(ii) The Listing agreements entered into by the company with BSE

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

Under The Companies Act 2013

1. *E-Form DPT -3 for the year ended 31.03.2019 was filed on 04.07.2019 whereas the Due date for filing was 30.06.2019*
2. *E-Form MGT -7 for the year ended 31.03.2019 was filed on 06.01.2020 due date for filing was 27.11.2019*
3. *E- Form AOC – 4 for the year ended 31.03.2019 was filed on 29.09.2020 whereas the due date for filing was 27.10.2019.*
4. *According to information received and examination of records of the company the Post of Company Secretary has been vacant from 01st December 2019 to till date.*

Under SEBI(LODR) 2015:

1. The Shareholding pattern for December 2019 quarter was filed on 05-02-2020 instead of 21-01-2020 being the timeline under the extant regulations.
2. The Shareholding pattern for December 2019 quarter was filed on 11-06-2020 instead of 21-04-2020 being the timeline under the extant regulations.
3. The Audit Report for Reconciliation of Share capital Audit pertaining to March 2020 quarter was filed on 11-06-2020 instead of 30-04-2020 being the timeline under the extant regulations.
4. The financial results for June 2019 quarter was filed on 16-08-2019 instead of 15-08-2019 being the timeline under the extant regulations.
5. The Corporate Governance Report for December 2019 quarter was filed on 29-01-2020 instead of 15-01-2020 being the timeline under the extant regulations.
6. The Corporate Governance Report for March 2020 quarter was filed on 11-06-2020 instead of 15-04-2020 being the timeline under the extant regulations.

I further report that: -

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director.

- Adequate notice is given to all Directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent generally seven days in advance.
- A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions of the Board and Committees were carried with requisite majority.

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

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

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

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

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

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

I further report that

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

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

Place: Chennai

Date: 08.12.2020

Signature:

T. Balasubramanian

FCS: 7987

CP No: 3402

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

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

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

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

Place: Chennai

Date: 08.12.2020

T. Balasubramanian
FCS: 7987
CP No: 3402

Report on Corporate Governance

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

1. Company's philosophy on Code of Governance

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

2. Board of Directors

Composition: The present strength of the Board as on the date of this report is 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 hereunder:

Name and Designation	Executive / Non-Executive Independent / Promoter	No. of Board Meetings of the Company		No. of other Boards in which he / she is a Director or Chair-person*	No. of other Board Committee(s) in which he/she is a Member or chairperson**	Attendance at last AGM (Yes/No)
		Held during the year	Attended during the year			
Mr. K. Ravikumar Director	Non-Executive Independent	5	2	3	6	Yes
Mr. N. Suryanarayanan Director	Non-Executive Independent	5	4	-	-	Yes
Mr. M. Jayasankar Director	Non-Executive Independent	5	3	-	-	No
Dr. Enakshi Bhattacharya Director	Non-Executive Independent	5	4	1	-	No

Mr. S. Chandramohan Director	Non-Executive Independent	5	5	-	-	Yes
Mr. D. Balakrishnan Whole Time Director & CEO	Executive	5	5	1	-	Yes

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

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

During the year ended Mar 31, 2020 Five (5) Board Meetings were held on May 29, 2019, Aug14, 2019, Nov 7, 2019, Feb 13, 2020 & Mar 10, 2020

1. Composition of various Board Committees

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

2. Board and Committee functioning

a. Board Meetings

1. The Board meetings are generally held in Chennai with the majority of Directors present at each meeting.

2. The detailed Agenda with notes is circulated in advance and contains all the matters enshrined in Section 173(3) of Companies Act, 2013.

3. Sufficient time is allocated for discussing items of business, more specifically on the operations front. There is also a detailed presentation made by the Chief Executive Officer.

4. The Board takes on record the Compliance confirmation from the Company Secretary

at each meeting which contains the compliance status of all the applicable legislations to the Company. These are also reviewed by the Management at each of its meetings.

b. Audit Committee

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

1. Financial statements before submission to the Board
2. Draft financial statements and Auditors' Report before submission to the Board
3. Accounting Policies and Practices
4. Risk Management Policies and Practices
5. Compliance with Stock Exchange and legal requirements concerning financial statements
6. Related Party Transactions
7. Recommendation of appointment of Auditors and fixing their fees
8. To review the Internal Control Systems and Internal Audit Reports and their compliance thereof . Four Audit Committee Meetings were held on May 29,2019, Aug 14,2019, Nov7,2019 & Feb11,2020

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

a. Nomination and Remuneration Committee

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

Details of Remuneration paid to Directors (Amount in Rs)

Remuneration paid during the year 2019-20					
S.No.	Names of Directors	Salary / Special allowance/ Perquisites	Commission / Bonus / Incentive	Sitting fees	Total
1.	Mr. K. Ravikumar	NA	NA	16,000/-	16,000/-
2.	Mr. M. Jayasankar	NA	NA	27,000/-	27,000/-
3.	Dr. Enakshi Bhattacharya	NA	NA	56,000/-	56,000/-
4.	Mr. N. Surya Narayanan	NA	NA	53,000/-	53,000/-

5.	Mr. S. Chandra Mohan	NA	NA	67,000/-	67,000/-
6.	Mr. D. Balakrishnan	23,51,639/--	NA	NA	23,51,639/-

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

Remuneration Policy

The following is the remuneration policy of Directors :

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

a) Fixed Pay

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

b) Minimum Remuneration

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

Remuneration to Non-executive / Independent Director

i. **Remuneration /Commission**

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

ii. **Sitting Fees**

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

b. **Stakeholders Relationship Committee**

The Stakeholders Relationship Committee comprises a majority of Independent Non-Executive Directors.

a Dr. Enakshi Bhattacharya is the Chairperson of the Committee.

b. The Table below shows the nature of complaints received from Shareholders during 2019-

20-:

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

a 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	5CMDA Industrial Estate, MMNagar (Chennai) 603209.	(044) 47405490	(044) 47405303	investors@spel.com	15 Days
2.	Cameo Corporate Services Limited	"Subramanian Building" 1 Club House Road, Chennai 600002	(044) 28460390	(044) 28460129	investor@cameoindia.com	

c Four Stakeholders Relationship Committee Meetings were held on May 29, 2019, Aug 14, 2019, Nov 7, 2019 & Feb13,2020

Names of the Directors	No. of Stakeholders Relationship Committee Meetings attended
Mr. M. Jayasankar	3
Dr. Enakshi Bhattacharya	3
Mr. D. Balakrishnan	4

3. 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.	2016 - 2017	5 CMDA Industrial Estate, Maraimalai Nagar 603 209	Sep 7, 2017 3.30 pm
2.	2017 - 2018	5 CMDA Industrial Estate, Maraimalai Nagar 603 209	Sep 27, 2018 3.30 pm
3.	2018 - 2019	5 CMDA Industrial Estate, Maraimalai Nagar 603 209	Sep 28, 2019 3.30 pm

Special Resolutions passed in the previous 3 AGMs :

1. 32nd AGM : Nil
2. 33rd AGM : Nil
3. 34th AGM : Nil

Postal Ballot: The Company has not made use of the Postal Ballot during the year

4. 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

d. All the mandatory requirements have been complied by the Company and also adopted some of the non-mandatory requirements of this clause.

5. Means of Communications

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

6. General Shareholder Information

1. Annual General Meeting

(as indicated in the notice) : 31st December, 2020 at Registered Office of the Company

2. Financial year : 2019-2020

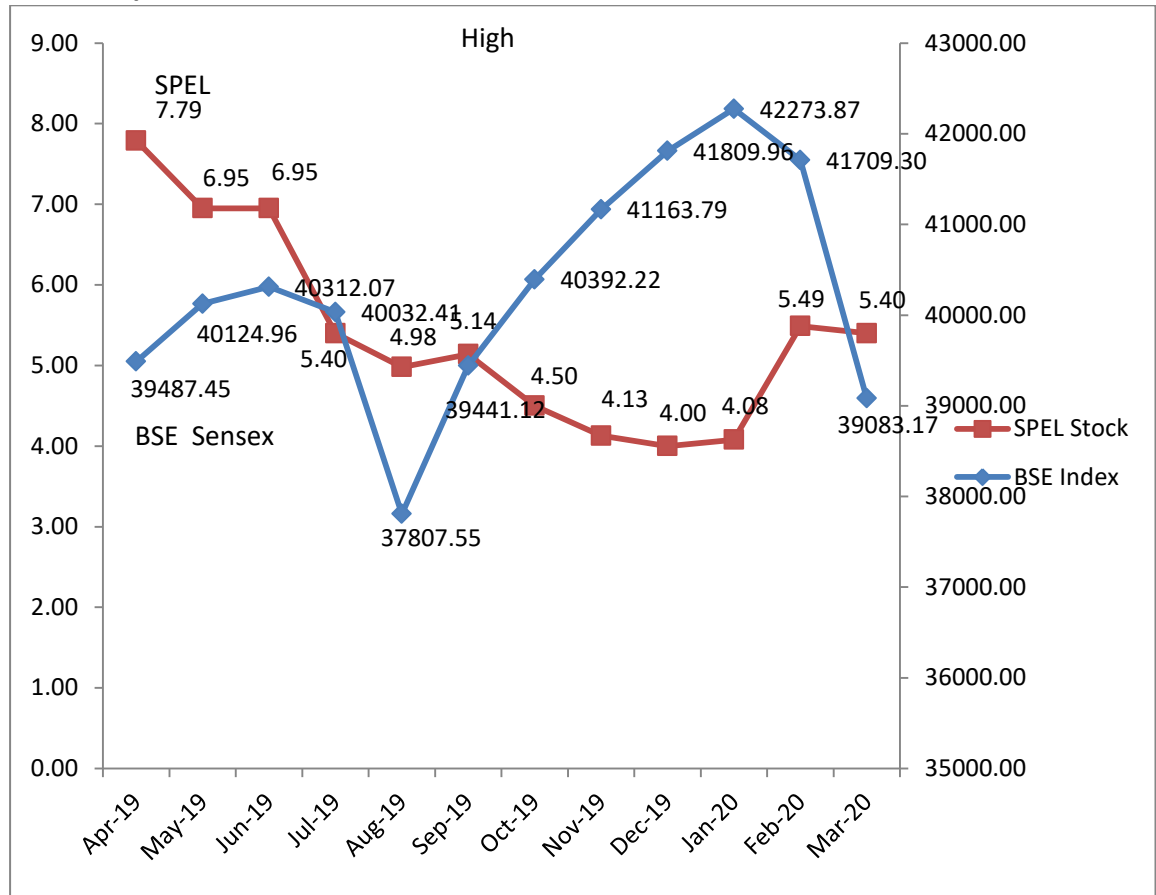
3. Dates of Book Closure : 25th December, 2020 to 31th December, 2020

4. Listed on Stock Exchange : BSE Limited(BSE)
Stock Code: Demat - 517166, Physical - 17166
5. ISIN Number NSDL & CDSL : INE252A01019
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 600002
9. Share transfer System : All transfer requests received are processed
and Approved by an Authorized Signatory.
Normally transfers are processed and
approved twice a month.
10. Factory Location : CMDA Industrial Estate, MM Nagar
(Chennai),603209. India.

9. Distribution of Shareholding as on Mar 31, 2020

Category	No. of Folios	No. of Shares	%
Promoter & Promoter Group	5	27288780	59.17
Overseas Corporate Bodies	1	9000	0.02
Mutual Funds	2	8600	0.02
Nationalized Banks	2	1600	0.00
Non-Resident Indians	179	348640	0.76
Domestic Companies	269	1392633	3.02
Resident Individuals	26639	15939302	34.56
Hindu Undivided Families	476	1124950	2.44
Trusts	4	3938	0.01
Total	27577	46117443	100.00

Stock Performance V/s BSE Sensex



10. Market Price Data High & Low, Trading volume and no.of trades during each month for FY2019-20

Month	High	Low	Trading Volume (No. of Shares in Lakhs)	No. OF Trades
Apr-19	7.79	5.58	2.35	616
May-19	6.95	5.00	1.14	402
Jun-19	6.95	4.50	1.91	781
Jul-19	5.40	3.60	2.55	637
Aug-19	4.98	3.10	2.02	500
Sep-19	5.14	3.31	1.55	370
Oct-19	4.50	3.23	0.41	141
Nov-19	4.13	3.14	1.87	286
Dec-19	4.00	2.92	1.10	275
Jan-20	4.08	2.91	0.63	200
Feb-20	5.49	3.59	2.30	465
Mar-20	5.40	2.86	1.61	414

11. Accounting Standards

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

12. CEO Certification

A Certificate of the CEO 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.

13. 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 Conductor 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, 2020

Date : August 31, 2020

Place: Chennai

For SPEL Semiconductor Limited

**D.Balakrishnan
Chief Executive Officer**

Chief Executive Officer/Chief Financial Officer Certification

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

To

The Board of Directors

SPEL Semiconductor Limited 5 CMDA

Industrial Estate, MM Nagar (Chennai)

PIN-603209

I, D.Balakrishnan, Director & Chief Executive Officer and G.Venkatesan, 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 my knowledge and belief that:
 - i. These statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- b. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct except non-payment of the following:
 - i. Income-tax Deducted at Source(Partpaymentmade forFY2019-20)
 - ii. Gratuity
 - iii. Service Tax
 - iv. GST
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
 - i. Significant changes in internal control during the year
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system

Date : August, 31 2020

Place : Chennai

G.Venkatesan

D. Balakrishnan

Chief Financial Officer

Whole Time Director & CEO

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF SPEL SEMICONDUCTOR LIMITED

1. I have examined the compliance of conditions of Corporate Governance by **SPEL SEMICONDUCTOR LIMITED** ("the Company"), for the year ended on March 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

3. My 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. I 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. I 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 I comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. I 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 my 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, 2020.

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

K.Nandhiswaran, F.C.A.,F.C.S.,
Chartered Accountants
Membership No.207644
UDIN : 20207644AAAACJ5638

August 31.2020
Chennai

Independent Auditor's Report on the Abridged Financial Statements To The Members of SPEL SEMICONDUCTOR LIMITED

The accompanying Abridged Financial Statements of **SPEL SEMICONDUCTOR LIMITED** ('the Company'), which comprise the Abridged Balance Sheet as at 31 March 2020, the Abridged Statement of Profit and Loss (including Other Comprehensive Income), the Abridged Statement of Cash Flows and the Abridged Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and related notes, are derived from the audited financial statements of the Company for the year ended 31 March 2020. I expressed an unmodified audit opinion on those financial statements vide. my report dated Aug 31,2020.

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

Management's Responsibility for the Abridged Financial Statements

The Company's Board of Directors is responsible for the preparation of summary of the audited 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 financial statements for the year ended 31 March 2020, prepared in accordance with Indian Accounting Standards referred to in Section 133 of the Act, and accounting principles generally accepted in India

Auditor's Responsibility

My responsibility is to express an opinion on the Abridged financial statements based on my 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 my opinion, the Abridged 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 financial statements of the Company for the year ended 31 March 2020 are a fair summary of those financial statements.

Material Uncertainty Related to Going Concern

The Company has made profits for the year ended March 31, 2020. However I draw your attention to Note 11 to the Abridged Financial Statements of the Company. The Company has incurred losses and generated negative cash flows during earlier years which indicate existence of material uncertainty in the Company's ability to continue as a going concern for a reasonable period of time. In order to continue the Company is apparently dependent on the infused of sufficient funds and restructuring of operations. Based on the funds infused and business plans of the management, the Company is reasonably expected to carry on the operations as a going concern. On this basis the Company has prepared the financial statements on going concern basis. My opinion is not modified in respect of this matter.

Emphasis of Matter

I draw your attention to Note 12 to the Abridged Financial Statement which explains the uncertainties and the management's assessment of the potential impact due to lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation and consequently the Company's results are highly dependent upon future developments, which are highly uncertain. My opinion is not modified in respect of this matter.

K.Nandhiswaran,F.C.A.,F.C.S.,
Chartered Accountants
Membership No. 207644
UDIN: 20207644AAAACJ5638

August 31, 2020
Chennai

INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF SPEL SEMICONDUCTOR LIMITED

Report on the audit of the Financial Statements

Opinion

I have audited the accompanying Financial Statements of **SPEL SEMICONDUCTOR LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

The Company has made profits for the year ended March 31, 2020. However I draw your attention to Note 3.14 of the Financial Statement of the Company. The Company has incurred losses and generated negative cash flows during earlier years which indicate existence of material uncertainty in the Company’s ability to continue as a going concern for a reasonable period of time. In order to continue the Company is apparently dependent on the infused of sufficient funds and restructuring of operations. Based on the funds infused and business plans of the management, the Company is reasonably expected to carry on the operations as a going concern. On this basis the Company has prepared the financial statements on going concern basis. My opinion is not modified in respect of this matter.

Emphasis of Matter

I draw your attention to Note 3.15 of the financial statements which explains the uncertainties and the management’s assessment of the potential impact due to lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation and consequently the Company’s results are highly dependent upon future developments, which are highly uncertain. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key Audit Matter Description	Response to Key Audit Matter
<p>A. Revenue Recognition</p> <p>Reference may be made to Note 1B.2 of significant accounting policies and Note 2.1 and 3.5 to the financial statements of the Company.</p> <p>Revenue recognition is inherently an area of audit risk, which we have substantially focused on mainly covering the aspects of cut off.</p> <p>Considering the above impact of Ind AS 115 is a key audit matter.</p>	<p><u>Principal Audit Procedures</u></p> <p>Audit procedures relating to revenue comprised of test of controls and substantive procedures including the following:</p> <p>a. Assessed whether the policy of recognizing revenue is in line with Ind AS 115.</p> <p>b. Performed procedures to assess the design and internal controls established by the management and tested the operating effectiveness of relevant controls related to the recognition of revenue.</p> <p>c. Selected a sample of sale orders, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.</p> <p>d. Tested, on a sample basis, whether specific revenue transactions around the reporting date has been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation, including goods delivery notes, customer acknowledgement/proof of acceptance and the terms of sale.</p> <p>e. Also validated subsequent credit notes and sales returns up to the date of this Report to ensure the appropriateness and accuracy of the revenue recognition.</p> <p>f. Tested journal entries on a sample basis to identify any unusual or irregular items.</p> <p>g. Also considered the adequacy of the disclosures in Company's financial statements</p>

	<p>in relation to Ind AS 115 and were satisfied they meet the disclosure requirements.</p> <p><u>Conclusion</u> Based on the procedures performed above, no material exceptions was found with regards to adoption of 115.</p>
<p>B. Inventory valuation</p> <p>Reference may be made to Note 1B.11 of significant accounting policies and Note 1.4 to the financial statements of the Company.</p> <p>➤ The valuation of raw material, stores and consumable items held for production have been an area of our focus in view of low operating margins.</p> <p>Valuation of Inventory in accordance with 2 has thus been considered as a key audit matter.</p>	<p><u>Principal Audit Procedures</u></p> <p>Audit procedures comprised of the following:</p> <ol style="list-style-type: none"> a. Have verified the maintenance of Stock Records with respect to Raw materials and Finished Goods and Inventory has being verified physically by management at during the year and no material discrepancies have reported that need to be dealt with the books of accounts. b. Have selected a sample of items of Raw materials, stores and consumable items held for production to check whether the rate per unit adopted for valuation is reflective of the last purchase rate. Similarly, the rate per unit of various finished goods have been checked on a sample basis as to whether they reflect the net sale price . <p><u>Conclusion:</u> Based on the procedures performed above, it was concluded that management has complied with the requirements of Ind AS 2 “Inventories”.</p>
<p>C Actuarial valuation</p> <p>Reference may be made to Note 1B.5 of significant accounting policies and Note 3.2 to the financial statements of the Company. There is a risk of material misstatement relating to the judgements made in valuing the defined benefit obligation including the use of key assumptions specifically the discount rate, life expectancy and inflation level. These variables can have a material impact in calculating the quantum of the retirement benefit liability.</p>	<p><u>Principal Audit Procedures</u></p> <p>Audit procedures comprised of the following:</p> <ol style="list-style-type: none"> a. Determined whether the key assumptions are reasonable. b. External actuaries were engaged to determine the amount of pension provisions. c. Assessed the competence, capabilities and objectivity of the experts, gained an understanding of their work and the suitability of the results as audit evidence for the relevant assertions. d. Examined the data made available to the experts for completeness and

	<p>accuracy and gained an understanding of the process to determine the calculation and inputs used.</p> <p><u>Conclusion</u> Based on the procedures performed above, no material exceptions was found with regards to the use of assumptions and actuarial valuation</p>
<p>d.) Impairment in Trade Receivables</p> <p>Reference may be made to note 1.5 to the financial statements of the Company.</p> <p>The Company is exposed to potential risk of financial loss when there is the risk of default on receivables from the customers for which the Management would make specific provision against individual balances with reference to the recoverable amount.</p> <p>For the purpose of impairment assessment, significant judgements and assumptions, including the credit risks of customers, the timing and amount of realization of these receivables, are required for the identification of impairment events and the determination of the impairment charge.</p>	<p><u>Principal Audit Procedures</u></p> <p>Performed the following procedures in relation to the recoverability of trade receivables:</p> <ol style="list-style-type: none"> a. Tested the accuracy of aging of trade receivables at year end on a sample basis b. Obtained a list of outstanding receivables and identified any debtors with financial difficulty through discussion with management. c. Assessed the recoverability of the unsettled receivables on a sample basis through our revaluation of management’s assessment with reference to the credit profile of the customers ,historical payment pattern of customers, publicly available information and latest correspondence with customers and to consider if any additional provision should be made; d. Tested subsequent settlement of trade receivables after the balance sheet date on a sample basis <p><u>Conclusion</u> Based on the above procedures the key judgements and assumptions used by management in the recoverability assessment of trade receivables was found to be supportable based on the available evidence.</p>
<p>e.) Non-Payment/belated payment of Statutory Dues</p> <p>Company has not paid/paid belatedly various undisputed statutory dues.</p>	<p><u>Principal Audit Procedures</u></p> <p>Performed the following list of audit procedures.</p> <ol style="list-style-type: none"> a. Obtained details of payment of

<p>Payment of statutory dues regularly and within time reflects on the health of the company apart from the need for us to report on issues of non-compliance to members.</p> <p>We have, therefore, considered payment of statutory dues as a key audit matter.</p>	<p>various statutory dues to be paid by company.</p> <p>b. Evaluated the design of internal controls relating to compliance with statutory dues.</p> <p>c. Verified that whether company has been regular in payment of statutory dues.</p> <p><u>Conclusion</u> Based on the above procedures performed, it was noted that The payment of statutory dues depended upon availability of funds and is being paid with applicable interest and delays noted are disclosed elsewhere in this report.</p>
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Information other than the Financial Statements and Auditor’s Report thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures and Shareholder’s Information but does not include the financial statements and our auditor’s report thereon.

My opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of the financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. I consider quantitative materiality and qualitative factors in (i) planning the scope of my audit work and in evaluating the results of my work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Companies Act, 2013, we report that:
 - (a) I 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 my opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
 - (d) In my opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the relevant rules issued thereunder.
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
 - (f) With respect to the adequacy of the Internal Financial Controls Over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "A". My report expresses a unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with requirements of section 197(16) of the Act, as amended:

In my opinion and to the best of our information and according to the explanations given to us, remuneration other than applicable sitting fees has been paid by the Company to its whole time director during the year which is in accordance with and not in excess of the limits laid down under the said section.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in my opinion and to the best of our information and according to the explanation given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements. (Refer Note 3.8 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 as at March 31,2020.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order,2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act I give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

K.Nandhiswaran,F.C.A.,F.C.S.,
Chartered Accountants
Membership No. 207644
UDIN: 20207644AAAACJ5638

August 31, 2020
Chennai

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

1. I have audited the internal financial controls over financial reporting of **SPEL SEMICONDUCTOR LIMITED** ("the Company") as of March 31, 2020 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. I conducted my 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 I 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. My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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.

Opinion

8. In my opinion and to the best of my information and according to the explanations given to me 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, 2020 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.

K. Nandhiswaran, F.C.A., F.C.S.,
Chartered Accountant
Membership No. 207644
UDIN: 20207644AAAACJ5638

August 31, 2020
Chennai

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of SPEL SEMICONDUCTOR LIMITED ("the Company") for the year ended March 31, 2020)

(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 my 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 me, 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 me, the Company has not accepted any deposit from public during the year and there are no unclaimed deposits to which Section 73 to 76 and other relevant provisions of Companies Act, 2013 are applicable. For this purpose, the monies brought in by the promoters/ relatives as unsecured loans in pursuance of the stipulation of a bank, are not considered as deposits.

(vi) In my opinion and according to the information and explanations given to me, 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 me 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, Tax deducted at Source, Service Tax, Goods and Service Tax (GST), Professional Tax and Property Tax during the year.

b) In respect of the above, delays were noticed in depositing undisputed Income Tax, Tax deducted at Source, Service Tax, Goods and Service Tax (GST), Professional Tax with the appropriate authorities during the year and the arrears of such dues outstanding as at March 31, 2020 for a period of more than six months from the date they became payable are :

Nature of Dues	Amount (₹ in lakhs)
Income tax	15.66
Tax deducted at Source	21.35
Service tax	24.05
Goods and Service Tax	85.52
Professional Tax	14.10

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, 2020 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	140.29	Assessment year 2012-13	Income Tax Appellate Tribunal

(viii)

In my opinion and according to the information and explanations given to me, 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 monies were raised by way of initial public offer or further public offer (including

debt instruments) and no term loans have been availed by the Company during the year. Hence, the relative reporting requirements under the Order are not commented upon.

(x) To the best of my 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 my 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 my opinion and according to the information and explanations given to me 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 standard.

(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 my opinion and according to the information and explanations given to me, 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.

K.Nandhiswaran

Chartered Accountants

Membership No:207644

UDIN: 20207644AAAACJ5638

August 31, 2020

Chennai

SPEL Semiconductor Limited

Balance Sheet as at March 31, 2020

(All amounts in Lakhs unless otherwise stated)

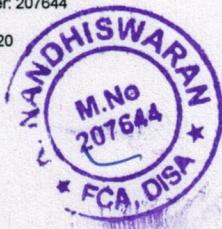
Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	1.1	11711.14	12209.02
Intangible assets	1.1	0.62	0.98
Financial Assets			
Others	1.2	65.62	71.89
Tax assets (net)	1.3	23.48	49.99
		11800.87	12331.89
Current assets			
Inventories	1.4	1059.99	445.87
Financial Assets			
(i) Trade Receivables	1.5	3197.92	436.22
(ii) Cash and cash equivalents	1.6	2.24	0.89
(iii) Bank balances other than (ii) above	1.6	2.89	30.07
(iv) Others	1.7	55.88	43.84
Contract assets	1.8	1927.63	2900.19
Other current assets	1.9	126.24	153.11
		6372.59	4010.20
TOTAL ASSETS		18173.46	16342.09
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	1.10	4613.25	4613.25
Other Equity	1.11	3289.93	3142.09
		7903.18	7755.34
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1.12	1647.57	1363.92
(ii) Other financial liabilities		109.93	156.79
Provisions	1.13	421.28	417.45
Deferred tax liabilities (net)	1.14	2126.34	2097.55
Other non current liabilities		113.59	119.94
		4418.72	4155.64
Current liabilities			
Financial liabilities			
(i) Borrowings	1.15	1112.90	868.69
(ii) Trade payables	1.16	1759.46	1586.83
(iii) Other financial liabilities	1.17	1175.90	1025.38
Other current liabilities	1.18	1737.12	870.73
Provisions	1.19	66.27	79.47
		5851.65	4431.10
TOTAL EQUITY AND LIABILITIES		18173.56	16342.09

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

As Per our report of even date

Sd/-
K Nandhiswaran
Chartered Accountant
Membership Number: 207644

Date: August 31, 2020
Place: Chennai



For and on behalf of the Board

N. Suryanarayanan
Director
DIN : 02282919

M. Jayasankar
Director
DIN : 00048351

S Chandramohan
Director
DIN : 00052571

D. Balakrishnan
Director & CEO
DIN : 02131242

G. Venkatesan
Chief Financial Officer

SPEL Semiconductor Limited

Statement of Profit and Loss for the Year ended March 31, 2020

(All amounts in Lakhs unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	2.1	3653.74	2633.74
Other income	2.2	179.65	486.10
Total Income		3833.39	3119.84
Expenses			
Cost of materials consumed	2.3	944.52	899.84
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.4	(56.59)	72.35
Employee benefits expense	2.5	1,069.84	1,255.61
Finance costs	2.6	142.61	284.37
Depreciation and amortisation expense	2.7	498.24	514.81
Other expenses	2.8	1,097.40	1,193.72
Total Expenses		3696.02	4220.70
Loss before exchange gain, exceptional items and tax		137.37	(1,100.86)
Loss before exceptional items and tax		137.37	(1,100.86)
Exceptional items	2.9	2.72	-
Loss before tax		134.65	(1,100.86)
Tax expense:			
Current tax Charge / (Credit)			-
Deferred tax Charge/ (Credit)		29.29	(27.28)
Profit / (Loss) for the year		105.36	(1,073.58)
Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
Remeasurement of Defined Benefit Plans		41.99	2.83
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income		41.99	2.83
Total Comprehensive Income for the year		147.35	(1,070.75)
Earnings per share (Face value Re.10 each) -			
-Basic & Diluted		0.23	(2.33)

The accompanying notes to Accounts form an Integral part of the Ind AS financial statements
This is the Statement of Profit and Loss referred to in our report of even date.

As Per our report of even date

Sd/-
K Nandhiswaran
Chartered Accountant
Membership Number: 207644

Date: August 31, 2020
Place: Chennai



For and on behalf of the Board

N.Suryanarayanan
Director
DIN : 02282919

M. Jayasankar
Director
DIN : 00048351

S Chandramohan
Director
DIN : 00052571

D. Balakrishnan
Director & CEO
DIN : 02131242

G. Venkatesan
Chief Financial Officer

STATEMENT OF CASH FLOWS (Refer Note 8)

Particulars	(All amounts in ₹ Lakhs)	
	For the year ended	
	March 31, 2020	March 31, 2019
Cash flow from operating activities		
Profit / (Loss) for the year	105.36	(1,073.58)
Adjustments for :		
Income tax expense	29.29	(27.28)
Depreciation, amortisation and impairment expense	498.24	514.81
Unbilled revenue written-off	660.32	-
Foreign exchange (gains) / losses	(19.79)	(295.84)
Provision for old inventory Written back	(657.60)	-
Finance cost	142.61	284.37
Interest Income	(2.45)	(12.38)
Rent income	(116.32)	(105.86)
Operating profit before working capital changes	639.65	(715.76)
Adjustments for changes in :		
Trade receivables	(2,429.74)	(68.76)
Inventories	43.48	(21.54)
Other current and non current financial assets	(5.77)	842.22
Other current and non current assets	26.88	(391.93)
Trade payables	172.13	(218.49)
Other non current and current financial liabilities	145.66	162.17
Other non current and current liabilities	735.91	843.90
Non current and other current Provisions	(9.37)	19.96
Cash generated from operations	(681.16)	451.77
Income tax paid (net)	8.52	(49.99)
Net cash (used in) from operating activities [A]	(672.64)	401.78
Cash flow from investing activities		
Purchase of property, plant and equipment and Intangible assets	0.00	(87.90)
Proceeds on sale of property, plant and equipment and Intangible assets	-	-
Movement in other bank balances	27.38	30.48
Interest Received	2.45	12.38
Rent Received	116.32	105.86
Net cash from investing activities [B]	146.16	60.82
Cash flow from financing activities		
Proceeds from non-current borrowings	283.65	46.17
Repayments of non-current borrowings	-	-
Proceeds from current borrowings	244.22	284.98
Repayments of current borrowings	-	(590.00)
Interest paid	-	(203.33)
Net cash (used in) financing activities [C]	527.87	(462.18)
Net (decrease) / Increase in cash & Cash equivalents [A+B+C]	1.39	0.42
Opening cash and cash equivalents	0.89	0.47
Exchange difference relating to foreign currency cash on hand	0.07	-
Closing cash and cash equivalents	2.35	0.89

For and on behalf of the Board of Directors

Date : August 31, 2020
Place : Chennai

K. Nandhiswaran
K. NANDHISWARAN
 B.Sc., FCA., FCS., ACIS., DISA., CISA., CISSP., CFE.,
CHARTERED ACCOUNTANT
 M.No: 207644

40 A, 1st Circular Road,
 Jawahar Nagar, Chennai - 600 082.

D. Balakrishnan
 D. Balakrishnan
 Director & CEO

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements

A. Equity Share Capital

(All amounts in ` Lakhs unless otherwise stated)

Balance at the
end of April 1,2019
46132528 @ 10

As at March 31, 2020
4613.2528

As at March 31, 2019
4613.2528

B OTHER EQUITY

As at March 31, 2020
Rs.

As at March 31, 2019
Rs.

Securities Premium Reserve

47.35

47.35

47.35

47.35

Retained Earnings

Balance as at the beginning of the year

3,094.73

4,042.89

Add : Current period Profit

105.36

(1,073.58)

Other Comprehensive Income arising from remeasurement of defined benefit obligation (net of tax)

41.99

2.83

Deferred tax

0.50

122.59

Balance as at the end of the year

3242.58

3094.73

TOTAL

3,289.93

3,142.09

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

For and On behalf of the board

K Nandhiswaran
Chartered Accountant
Membership Number: 207644

K. Ravikumar
Director
DIN : 00119753

N.Suryanarayanan
Director
DIN : 02282919

Place: Chennai
Date: May 29,2019

M. Jayasankar
Director
DIN : 00048351

D. Balakrishnan
Director & CEO
DIN : 02131242

I. Enakshi Bhattacharya
Director
DIN : 05277571

S Chandramohan
Director
DIN : 00052571

V. Srinivasan
Chief Financial Officer

S.S. Arunachalam
Company Secretary



Spel Semiconductor Limited

Notes to Abridged Financial Statements for the year ended 31st March ,2020

(All amounts in ` Lakhs unless otherwise stated)

1. Basic Of Preparation

a) The Abridged Financial statements have been prepared on the basis of the complete set of financial statement for the year ended March 31st 2019, in accordance with first proviso to section 136(1) read with Rule 10 of Companies (Accounts) Rules, 2014. (as amended) The financial statements have been prepared in accordance with notified under the Companies (Indian Accounting Standards) Rules, 2015,

b) Complete Balance sheet, Statement of profit and Loss (including Other Comprehensive Income), the Statement of cash flows, the statements of Changes in equity, other statements and notes there to prepared as per the requirements of Division II to the Schedule III to the Act are available at the Company's website at link : www.spel.com. Copy of the financial statements is also available for inspection at the registered office of the Company during working hours for period of 21 days before the date of AGM.

2. DEFERRED TAX LIABILITIES (NET)

(Note 1.14 of the Financial Statements)

	As at March 31, 2020	As at March 31, 2019
a) Deferred tax liabilities	2,391.44	2,487.27 b)
Deferred tax (assets)	(265.87)	(389.72)
	2,126.34	2,097.55

3. CURRENT FINANCIAL ASSETS - CASH AND BANK BALANCES

(Note 1.6 of the Financial Statements)

	As at March 31, 2020	As at March 31, 2019
a. Cash and Cash Equivalentents		
i) Balances with banks in current account	1.70	0.36
ii) Cash on hand	0.65	0.53
	2.35	0.89
b. Other Bank Balances		
ii) Margin money deposits #	2.69	30.07
	2.69	30.07
	5.04	30.96

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



Spel Semiconductor Limited

Notes to Abridged Ind AS Financial Statements for the year ended 31st March ,2020

(All amounts in ` Lakhs unless otherwise stated)

4. REVENUE FROM OPERATION

(Note 2.1 of the Financial Statements)

	Year Ended March 31, 2020	Year Ended March 31, 2019
a) Sale of products		
Export sales	3,639.50	2,601.62 b)
Revenue from services	14.24	29.50
c) Other operating revenues		
- Scrap sales	-	2.62
	<u>3,653.74</u>	<u>2,633.74</u>

5. EXCEPTIONAL ITEMS

(Note 2.9 of the Financial Statements)

	Year Ended March 31, 2020	Year Ended March 31, 2019
a) Provision for Old inventory written back	(657.59)	-
b) Unbilled revenue written off	660.31	-
	<u>2.72</u>	<u>-</u>

6. Contingent Liabilities

(Note 3.8 to the Financial Statements)

	As at March 31,2020	As at March 31,2019
a) Claims against the Company not acknowledged as debts (net)		
- Income tax matters and appeal	140.29	446.47
B) Letter of Credit	-	181.81

These have been disputed by the Company on account of issues of applicability and classification.

Future cash outflows in respect of the above are determinable only on receipt of judgement / decisions pending with various forums / authorities'

7. Commitments

(Note 3.9 to the Financial Statements.)

	Nil	Nil



Spel Semiconductor Limited

Notes to Abridged Ind AS Financial for the year ended March 31, 2020

(All amounts in ` Lakhs unless otherwise stated)

8. Segment Information

(Note 3.6 to the Financial Statements)

The Chief Executive Officer of the Company has been identified as being the chief operating decision maker. Based on the internal reporting to the Chief operating decision maker, the Company has identified that the Company has only one segment which is Integrated circuits based on nature of products, risks, returns and the internal business reporting system.

9. Related Party Disclosure (Note 3.7 to the 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

Limited Spel Semiconductor Ltd Provident

Funds Trust Key Managerial Personnel

Mr.D.Balakrishnan.CEO and Director

Mr.V Srinivasan (upto Aug 17,2019)

Chief Financial Officer

Mr V Ravichandran

Chief Financial Officer (from Nov 1, 2019)

Mr. S S Arunachalam (upto Nov 30, 2019) Company secretary

Significant Related Party Transactions

March 31, 2020 March 31, 2019

a) List of parties where control exists

Ultimate Holding company

- Natronix Semiconductor Technology Pvt. Limited

a. Business Promotion - Marketing fee

93.70 99.33

b. Trade payable

411.47 326.17

b) Fellow subsidiaries

- Natronix Semiconductores Technology Limited

a. Sale of goods

7.43 -

b. Trade receivable

0.73 0.37

d) Key management personnel

Mr. D Balakrishnan, CEO and Director

(i) Remuneration*

23.52 22.29

(ii) Payable

32.81 25.01

Mr.V.Srinivasan, Chief Financial Officer

(i) Remuneration*

4.74 11.65

(ii) Payable

7.14 7.61

Mr.V.Ravichandran , Chief Financial Officer

(i) Remuneration*

4.58 -

(ii) Payable

3.11 -

Mr S S Arunachalam, Company Secretary

(i) Remuneration*

8.58 12.78

(ii) Payable

8.24 6.39

*Excludes contribution for gratuity and compensated absences as the incremental liability has been accounted for the Company as a whole.

SPEL Semiconductor Limited
Notes to Abridged Financial Statements
(All amounts in ` Lakhs unless otherwise stated)
10. Disclosures required under the Micro, Small & Medium Development Act,2006

(Note 3.12 to the Financial Statements)

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

Particulars	2019-20	2018-19
The Principal amount (2019-2020 : 2.30 ; 2018-19:2.30 ; and the interest due (2019-20: 7.04 :2018-19:6.04 there on remain unpaid to suppliers at the end of each accounting year.	9.34	8.34
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.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.00	2.05
The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure u/s 23 of the Micro,Small enterprises Development Act,2006.	7.04	6.04

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

The Company is engaged in-house technology upgradation in the process, thereby strengthening the efforts to bring in new products and improving Capacity utilization.

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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. (Note 3.14 to the Financial Statements).

12. The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In such a situation the Company has taken due care in consulting on accounting judgement and estimates and while assessing the recoverability of Company's assets, the Company has considered internal and external information approval of the financial results and expects to recover the carrying amount of the assets. The actual impact of the pandemic may be different from the which has been estimated, as COVID-19, situation involving in India and globally. (Note 3.15 to the Financial Statements)

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

For and on behalf of the Board

As Per our report of even date
K Nandhiswaran
Chartered Accountant
Membership Number: 207644
UDIN: 20207644AAAACJ5638

K. Ravikumar
Director
DIN : 00119753

N.Suryanarayanan
Director
DIN : 02282919

S Chandramohan
Director
DIN : 00052571

Place: Chennai
Date: Aug 31.2020

Dr Enakshi Bhattacharya
Director
DIN : 05277571

D. Balakrishnan
Director & CEO
DIN : 02131242

G.Venkatesan
Chief Financial Officer

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements

1.1 PROPERTY, PLANT AND EQUIPMENT

(All amounts in Rs. Lakhs unless otherwise stated)

2019-20		Gross Carrying Amount			Depreciation/Amortization			Net Carrying Amount	
Description	As at 1.4.2019	Additions	(Deletions)	As at 31.03.2020	As at 1.4.2019	Depreciation for the period	Disposal adjustment for the period	As at 31.03.2020	As at 31.03.2020
Land - Freehold land	9907.13	-	-	9907.13	0	0		0	9907.13
Buildings	280.95	-	-	280.95	249.34	3.46		252.80	28.15
Plant and Equipment	3795.38	-	-	3795.38	1529.27	491.10		2020.37	1775.01
Furniture and Fixtures	11.85	-	-	11.85	9.19	2.50		11.69	0.16
Computers	2.36	-	-	2.36	1.86	0.41	0	2.27	0.09
Office equipment	2.01	-	-	2.01	1.00	0.42		1.42	0.60
Total	13999.69	-	-	13999.69	1790.66	497.88	0	2288.54	11711.14

Description	As at 1.4.2019	Additions	(Deletions)	As at 31.03.2020	As at 01.04.2019	Depreciation for the period	Disposal adjustment for the period	As at 31.03.2020	As at 31.03.2020
Computer Software- acquired	2.17	-	-	2.17	1.19	0.36		1.55	0.62
Others Trade Name									
Total	2.17	-	-	2.17	1.19	0.36	0	1.55	0.62

2018-19		Gross Carrying Amount			Depreciation/Amortization			Net Carrying Amount	
Description	As at 1.4.2018	Additions	(Deletions)	As at 31.03.2019	As at 1.4.2018	Depreciation for the period	Disposal adjustment for the period	As at 31.03.2019	As at 31.03.2019
Land - Freehold land	9907.13	0	0	9907.13	0	0		0	9907.13
Buildings	278.81	2.14	0	280.95	245.93	3.42		249.34	31.61
Plant and Equipment	3709.77	111.88	26.27	3795.38	1022.13	507.14		1529.27	2266.11
Furniture and Fixtures	11.85	0	0	11.85	6.37	2.82		9.19	2.66
Computers	2.21	0.15	0	2.36	1.23	0.63	0	1.86	0.50
Office equipment	2.01	0	0	2.01	0.59	0.42		1.00	1.01
Total	13911.78	114.18	26.27	13999.69	1276.24	514.42	0	1790.66	12209.02

Description	As at 1.4.2018	Additions	(Deletions)	As at 31.03.2019	As at 01.04.2018	Depreciation for the period	Disposal adjustment for the period	As at 31.03.2019	As at 31.03.2019
Computer Software- acquired	2.17	0	0	2.17	0.81	0.39	0	1.19	0.98
Others Trade Name									
Total	2.17	0	0	2.17	0.81	0.39	0	1.19	0.98

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements

(All amounts in Rs. Lakhs unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019
1.2	Non-Current Financial - Others		
	(Unsecured, considered good)		
	Security Deposits	65.62	71.89
		65.62	71.89

Note:- These are carried at the amortised cost

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in ` Lakhs unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019
1.3	NON - CURRENT - Advance Tax Assets (Net)		
	Advance income tax (net of provision)	23.48	49.99
		23.48	49.99

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs.Lakhs unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
1.4 Inventories		
(a) Raw materials and components	248.77	331.42
(b) Work-in-progress	676.96	58.03
(c) Finished goods	-	-
(d) Stores, spares and consumable tools	134.26	186.40
Less: Provision for Non moving inventory	-	129.98
	1059.99	445.87

Notes:		
1) Goods in transit included under the above heads are as below:		
(a) Raw Materials and components	-	8.29
(b) Stores, spares and consumable tools	-	6.58
	-	14.87

2) Cost of materials consumed during the year is ` (2018-19 is `)

3) The amount of written down of inventory recognized as a expenses during the year is NIL (2017-18)

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs.Lakhs unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019
1.5	Current Financial Assets - Trade Receivables		
	Trade receivables - unsecured		
	Considered good	2,885.68	436.22
	Considered doubtful	151.22	151.22
		3,036.90	587.44
	Less: Provision for doubtful debts	151.22	151.22
	Less: Receivable for the sale of immovable property Included in the note 1.8	-	-
		2,885.68	436.22

Note:-

Theses are carried at amortised cost

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs.Lakhs unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019
1.6	Current Financial Assets - Cash and Bank Balances		
	a. Cash and Cash Equivalents		
	a) Balances with banks in current account	1.70	0.36
	b) Cash on hand	0.65	0.54
		2.35	0.89
	c. Other Bank Balances		
	Margin money deposits #	2.69	30.07
		2.69	30.97

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

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs. Lakhs unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019
1.7	CURRENT FINANCIAL ASSETS - OTHERS		
	(Unsecured, considered good)		
	a) Interest accrued on deposits	6.79	4.95
	b) Employee advances	0.67	0.43
	c) Receivable on sale of immovable properties	8.32	8.32
	d) Rent receivable	40.10	30.13
		55.88	43.84

Note:-

1. These are carried at amortised cost

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs. Lakhs unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019
1.8	Contract Assets		
	(Unsecured Considered good)		
	Unsecured Loans and Advances		
	Unbilled Revenue	2239.87	2,900.19
		2,239.87	2,900.19

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs.Lakhs unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019
1.9	Other Current Assets		
	(Unsecured Considered good)		
	Unsecured Loans and Advances		
	a) Supplier advances	68.73	60.13
	b) Prepaid expenses	-	8.11
	c) Balances with government authorities		
	- GST Credit (Input Tax Cedit)	3.81	36.13
	- Service Tax	-	24.05
	- GST (Liability)	59.02	59.02
		38.78	71.10
	d) Others	18.73	13.77
		126.24	153.11

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs.Lakhs unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019
1.10	Equity Share Capital		
	Authorised		
	6,00,00,000 (March31,2017 and April 1, 2016: 6,00,00,000) equity shares of ₹ 10/- each with voting rights	6,000	6,000
		6,000	6,000
	Issued		
	4,61,47,613 (March31,2017 and April 1, 2016: 4,61,47,613) equity shares of ₹ 10/- each with voting rights	4614.76	4614.76
		4614.76	4614.76
	Subscribed and fully paid up		
	4,61,47,613 (March31,2017 and April 1, 2016 : 4,61,47,613) equity shares of ₹ 10/- each with voting rights	4614.76	4614.76
	Less: Forfeited shares 30,170 (March31,2017 and April 1, 2016 : 30,170) equity shares of Rs.5/- each	1.51	1.51
	150850	4613.25	4613.25

Notes:-

1)	Particulars	March 31, 2020		March 31, 2019	
		Number	Amount	Number	Amount
	Balance at the beginning and at the end of the year				
	Balance at the beginning of the year	4,61,17,443	4,61,17,4430	4,61,17,443	4,61,17,4430
	Issued during the year	0	0	0	0
	Balance at the end of the year	4,61,17,443	4,61,17,4430	4,61,17,443	4,61,17,4430

2) In respect of the shares issued by the company Rights, Preferences and Restrictions attached to shares The holders of Equity shares are entitled to vote at the General Meeting and also to the dividend declared/paid in proportion to the Shares held by them. Apart from the above, their rights, preferences and restrictions are governed by the terms of their issue under the provisions of the Companies Act, 2013

3) Of the above, shares held by each shareholder holding more than 5% of shares

Name of the shareholder	March 31, 2020	% of holding	March 31, 2019	% of holding
	No of shares		No of shares	
Natronix Semiconductor Technology Private Limited	25811207	0.559	25811207	0.559

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

Aggregate number and class of shares issued, and allotted shares issued for consideration other than cash and shares as bonous shares are bought back during the period of five years immediately preceeding the report dated is Nil

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs.Lakhs unless otherwise stated)

			As at March 31, 2020	As at March 31, 2019
1.11	Other Equity			
	Securities Premium Reserve	A	47.35	47.35
	Retained Earnings	B	3,242.58	3,094.74
			3,289.93	3,142.09

Notes

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.

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs.Lakhs unless otherwise stated)

1.12	Non-Current Financial Liabilities - Borrowings	As at March 31, 2020	As at March 31, 2019
a)	Secured borrowings		
	i. Debentures	700.00	700.00
		700.00	700.00
b)	Unsecured borrowings		
	ii. Unsecured Loan from others	947.57	663.92
		1,647.57	1,363.92

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs.Lakhs unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019
1.13	Non-Current Liabilities - Provisions		
	Provision for employee benefits		
	i. Compensated absences	88.70	97.06
	ii. Gratuity	332.58	320.39
		421.28	417.45

Movement in the provision

Particulars	Opening balance	Additions during the year	Utilized during the Year	Closing balance
Gratuity				
As on March 31,2020	320.39	-	12.20	332.58
As on March 31,2019	343.58	-	23.19	320.39
Compensated absences				
As on March 31,2020	97.06	-	8.36	88.70
As on March 31,2019	109.16	-	12.10	97.06

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs.Lakhs unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019
1.14	Deferred Tax Liabilities (Net)		
	a) Deferred tax liabilities	2,391.44	2,487.27
	b) Deferred tax (assets)	-	389.72
	Toal	2,126.34	2,097.55

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs.Lakhs unless otherwise stated)

1.15 Current Financial Liabilities - Borrowings		
	As at March 31, 2020	As at March 31, 2019
Secured borrowings		
Loans from banks		
i) Packing Credit from banks	997.58	732.01
ii) Overdraft facility with Bank	15.33	-
iii) Buyers' Credit from Bank	-	-
iv) Unsecured Loans from others	100.00	136.68
	1,112.90	868.69

Notes :

- 1 These are carried at amortised cost

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs.Lakhs unless otherwise stated)

1.16	Current Financial Liabiliteis - Trade Payables		
		As at March 31, 2020	As at March 31, 2019
	Trade payables - including acceptances		
	i. Micro and small enterprises	2.30	2.30
	[Refer note..... to the Financial Statements]		
	ii. Other trade payables	1,757.16	1,584.53
		1,759.46	1,586.83

Note

1 These are carried at amortised cost

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs. Lakhs unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019
1.17	Current Financial Liabilities - Others		
	a) Current maturities of Long-term debts		
	a) Term Loans from bank - (Refer note 3.2)	-	-
	b) Unsecured loans from others - (Refer note 3.4)	-	-
	i) Interest Accrued and not due on secured loans	-	-
	ii) Interest accrued and due on secured loans	33.50	36.59
	b) Interest accrued and due on unsecured loans	110.83	128.40
	c) Rental and other advances	-	-
	d) Employee benefits	934.26	762.74
	e) Capital creditors	25.57	25.57
	f) Others	71.74	72.09
		1,175.90	1,025.38

Note:

1. These are carried at amortised cost

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements

(All amounts in Rs.Lakhs unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019
1.18	Other Current Liabilities		
	a) Advance from customers	0.41	0.41
	b) Statutory liabilities	169.52	97.95
	c) Advance for Sale of Capital Asset	400.00	400.00
	d) Income tax payable (Net)	-	57.70
	Others	1,167.18	314.67
	Total	1,737.12	870.73

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs.Lakhs unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019
1.19	Current Liabilities - Provisions		
	a) Provision for employee benefits		
	- Compensated absence	17.33	20.99
	[Refer Note 3.3 to the Financial Statements]	-	-
	- Gratuity	48.94	58.48
		66.27	79.47

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs.Lakhs unless otherwise stated)

		Year ended March 31, 2020	Year ended March 31, 2019
2.1	Revenue from Operations		
	a) Sale of products		
	Export sales	3,639.50	2,601.62
	b) Revenue from services	14.24	29.50
	c) Other operating revenues	-	-
	- Scrap sales	-	2.62
		3653.74	2633.74

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs. Lakhs unless otherwise stated)

		Year ended March 31, 2020	Year ended March 31, 2019
2.2	Other Income		
	a) Interest income from		
	i. Deposits	1.82	8.51
	ii. Others	0.64	3.87
		2.45	12.38
	b) Other non-operating income		
	i. Profit on sale of fixed assets - net	0.00	0.00
	ii. Foreign exchange gain - net	19.79	295.84
	iii. Rental income	116.32	105.86
	iv. Others	41.08	72.02
		177.19	473.72
	Total	179.65	486.10

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs.Lakhs unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
2.3 Cost of Materials Consumed		
Inventory at the beginning of the year	331.42	290.09
Add : Purchases & Other Expenses	957.13	941.17
Less : Inventory at the end of the year	248.77	331.42
	1039.78	899.84
Less:- Amount disclosed in Note 2.9- Exceptional Items	95.26	-
Cost of raw materials consumed	944.52	899.84

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs.Lakhs unless otherwise stated)

2.4 Changes in Inventory of FG, Stock-in-Trade and Work in Progress			
		Year ended March 31, 2020	Year ended March 31, 2019
	Inventories at the end of the year		
	(Increase) / Decrease in Work-in-Progress	- 618.93	72.35
	(Increase) / Decrease in Finished Goods	-	-
		- 618.93	72.35
	Less:- Amount disclosed in Note 2.9- Exceptional Items	- 562.34	-
		- 56.59	72.35

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements

(All amounts in ` Lakhs unless otherwise stated)

	#BEZUG!	Year ended March 31, 2019
2.5 Employee Benefits Expense		
a) Salaries,wages and bonus	882.63	1,042.78
		-
b) Contribution to provident and other funds	121.56	140.06
c) Staff welfare expenses	65.65	72.77
Total	1,069.84	1,255.61

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs. Lakhs unless otherwise stated)

		#BEZUG!	Year ended March 31, 2019
2.6	Finance Costs		
	Interest on borrowings	142.61	284.37
		142.61	284.37

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs. Lakhs unless otherwise stated)

		Year ended March 31, 2020	Year ended March 31, 2019
2.7	Depreciation and Amortization Expense		
A)	Property, plant and equipment		
	(i) Buildings	3.46	3.42
	(ii) Plant and equipment	491.10	507.14
	(iii) Furniture and fittings	2.50	2.82
	(iv) Computers	0.41	0.63
	(v) Office equipment	0.42	0.41
	Total on Tangible assets (A)	497.88	514.42
b)	Intangible assets		
	(i) Computer software		
	- Acquired	0.36	0.39
	Total on Intangible assets (B)	0.36	0.39
	A+B	498.24	514.81

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs. Lakhs unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
2.8 Other Expenses		
(a) Consumption of stores and tools	308.27	265.54
(b) Power and fuel	319.03	389.83
(c) Rent	3.30	3.86
(d) Repairs and maintenance		
- Buildings	33.69	38.76
- Plant and machinery	0.41	31.68
- Others	6.63	12.50
(e) Insurance	21.50	8.65
(f) Rates and taxes, excluding taxes on income	89.68	51.15
(g) Travelling	50.09	62.39
(h) Bad and doubtful debts	-	-
(j) Selling and administration expenses	93.70	99.33
(k) Packing and forwarding charges	4.02	14.28
(l) Bank Charges	36.41	42.45
(m) Legal and professional fees	73.54	87.33
(n) Miscellaneous	57.13	85.97
Total	1,097.40	1,193.72

Notes:

2.8(a)	Year ended March 31, 2020	Year ended March 31, 2019
	Rs.	Rs.
Payment to auditors		
Statutory Audit fee	4.80	5.70
Taxation Matters	0.60	0.54
Certification fees and other services	0.62	1.74
	6.02	4.90

SPEL Semiconductor Limited

Notes annexed to and forming part of the Ind AS Financial Statements
(All amounts in Rs.Lakhs unless otherwise stated)

		Year ended March 31, 2020	Year ended March 31, 2019
2.9	Exceptional Items		
	a) Provision for Old inventory written back	- 657.59	-
	b) Unbilled revenue written off	660.31	-
		2.72	-