



# SPEL Semiconductor Limited

an IC Assembly & Test Company

## 37<sup>TH</sup> ANNUAL REPORT 2021-22

|   |  |
|---|--|
| <p><b>Board of Directors</b></p> <p>1.Mr.Ravikumar -Director</p> <p>2.Mr.N.Suryanarayanan - Director</p> <p>3.Dr.Enakshi Bhattacharya -Director</p> <p>4.Mr.S.Chandramohan -Director</p> <p>5.Mr.M.Balakrishnan - Whole-time Director &amp; CEO</p> <p>6.Mr.M.Jayasankar -Director (From 14-02-2022)</p> <p><b>Company Secretary</b></p> <p><b>Mr.S.Sivaraman</b></p> <p><b>Chief Financial Officer</b></p> <p><b>Mr.G.Venkatesan</b></p> <p><b>Auditors</b></p> <p>Mr.K.Nandhiswaran F.C.A : F.C.S, Chartered Accountant, #40A, 1<sup>st</sup> Circular Road, Jawahar Nagar, Chennai- 600 082.</p> <p><b>Registered Office&amp; Factory</b></p> <p>5, CMDA Industrial Estate, Maraimalai Nagar, Chennai- 603209, India</p> <p><b>Bankers</b></p> <p>Indian Overseas Bank</p> | <p><b>Registrar &amp; Share Transfer Agent</b></p> <p>Cameo Corporate Services Limited<br/>Subramanian Building, 1, Club House Road,<br/>Anna Salai, Chennai - 600002,<br/>Ph : +91-44-28460390<br/>Fax : +91-44-28460129<br/>E-mail: investor@cameoindia.com</p> <p><b>General Information</b></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><b>37<sup>th</sup> Annual General Meeting</b></p> <p><b>Date &amp; Time</b></p> <p>31<sup>st</sup> December, 2022 at 1.00 PM</p> <p><b>Venue</b></p> <p>Through Video Conferencing</p> <p><b>Book closure</b></p> <p>25<sup>th</sup> December, 2022 to 31<sup>st</sup> December, 2022 both days inclusive</p> |
|---|--|

**Previous 10 Years Performance**

|              | 2021-22   | 2020-21  | 2019-20  | 2018-19    | 2017-18  | 2016-17    | 2015-16    | 2014-15  | 2013-14  | 2012-13  |
|--------------|-----------|----------|----------|------------|----------|------------|------------|----------|----------|----------|
| Sales        | 1564.58   | 1592.11  | 36,53.74 | 2,633.74   | 4,166.31 | 3,553.22   | 2,585.04   | 4,719.37 | 6,338.90 | 8,076.92 |
| PBIDT        | (32.78)   | (17.36)  | 778.22   | (301.68)   | 86.31    | (2,298.94) | (986.62)   | 1,368.29 | 1,586.20 | 1,197.01 |
| Finance Cost | 86.81     | 116.45   | 142.61   | 2,84.37    | 289.16   | 215.67     | 304.40     | 404.29   | 470.37   | 584.01   |
| PBDT         | (119.19)  | (413.89) | 635.61   | (586.05)   | (202.85) | (2,514.61) | (1,291.02) | 964.00   | 1,115.83 | 613.00   |
| Depreciation | 469.23.44 | 430.44   | 498.24   | 514.81     | 630.57   | 693.33     | 1,071.32   | 1,012.40 | 1,096.13 | 1,185.06 |
| PBT          | (1155.42) | (844.33) | 137.37   | (1,100.86) | (833.42) | (3,207.94) | (2,362.34) | (48.40)  | 19.70    | (572.06) |
| Tax Expense  | 28.93     | 19.17    | 29.29    | (27.28)    | 13.64    | (147.54)   | (383.33)   | (13.18)  | (12.48)  | (117.03) |
| PAT          | (1184.35) | (863.50) | 108.08   | (1,073.58) | (847.06) | (3,060.40) | (1,979.00) | (35.22)  | 32.18    | (455.03) |
| Net Profit   | (1184.35) | (863.50) | 108.08   | (1,073.58) | (847.06) | (3,060.40) | (1,979.00) | (35.22)  | 32.18    | (455.03) |
|              |           |          |          |            |          |            |            |          |          |          |

**Contents**

| Sl. No. | Description   | Page |
|---------|---|------|
| 1.      | Notice of 37 <sup>th</sup> Annual General Meeting                           | 3    |
| 2.      | Directors' Report   | 18   |
| 3.      | Management Discussion & Analysis  | 29   |
| 4.      | Secretarial Audit Report  | 33   |
| 5.      | Report on Corporate Governance  | 39   |
| 6.      | Independent Auditors Report on Ind As Financial Statements                  | 50   |
| 7.      | Independent Auditors Report on the the Abridged Ind AS Financial Statements | 58   |
| 8.      | Abridged Ind AS Financial Statements  | 67   |

## NOTICE

Notice is hereby given that the **37<sup>th</sup>Annual General Meeting of the Members of SPEL Semiconductor Limited will be held on Saturday the 31<sup>st</sup> day of December, 2022 at 1.00 pm 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 Mar 31, 2022 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.Re-appointment of Director:**

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 1<sup>st</sup> consecutive AGM, be and is hereby ratified"

### **Special Business:**

#### **4.Appointment of Mr. M.Jayasankar as a Director .**

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

**"RESOLVED THAT** pursuant to provisions of Sections 149, 152 and other applicable provisions, if any, of Companies Act, 2013 ('Act') and Companies (Appointment & Qualification of Directors) Rules, 2014 ('Rules'), including any statutory modification(s) or re-enactment thereof read with Schedule IV of the Act and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, ("LODR"), and based on the recommendation of the Nomination and Remuneration Committee, Mr.M.Jayasankar, (holding DIN: 00048351), , who has already attained the age of 75 years and who qualifies for being appointed as an Additional Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as Non-Executive Director of the Company with effect from 14-02-2022 liable to retire by rotation."

**Place: Chennai**

**Date: 14-11-2022**

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

**D. Balakrishnan**

**Notes:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. 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 for 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.

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

4. 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 the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and 05<sup>th</sup> May 2022 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 Ltd for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting on the date of the AGM will be provided by CDSL.

5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at [www.majesticauto.in](http://www.majesticauto.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. <https://www.evotingindia.com>

6. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No. 2/2021 dated January 13, 2021 and 5th May 2022 .

7. A Statement pursuant to Section 102(1) of the Act, in respect of special businesses being item No 4 as set-out above to be transacted at the meeting, is annexed hereto and forms part of this Notice.

8. As the AGM will be held through VC/ OAVM, the Route Map of the venue of the meeting is not annexed to this Notice.

9. Notice is being sent through e-mail to all the shareholders as on December 5, 2022 who have registered their e-mail addresses with the Company/RTA.
10. Shareholders who have not received the notice due to change/ non-registration of their e-mail address with the Company/ RTA/ Depository Participants, they may request for the notice by sending an email at [rta@alankit.com](mailto:rta@alankit.com) along with a scanned copy of Share Certificate/ Client Master. Post receipt of such request, the shareholder would be provided soft copy of the notice and the procedure for e-voting along with the User ID and the Password.
11. Mr. T Balasubramaniam, Practicing Company Secretary is appointed as the scrutinizer to scrutinize the e-voting at AGM and remote e-voting process in a fair and transparent manner.
12. The details of Directors seeking appointment/ re-appointment/ re-designation, in terms of Regulation 36(3) of the SEBI Listing Regulations and the Act (including Secretarial Standard-2 on General Meetings), are given in the Corporate Governance Report and annexed hereto and form part of this Notice.
13. Corporate Members intending to send their authorized representative to attend Annual General Meeting are requested to send a duly certified copy of their Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
14. Members are requested to register their e-mail id with the company or its RTA or their depository participant to enable the company to send the notices and other reports through email.
15. Institutional shareholders (i.e. other than individuals, Hindu Undivided Family, Non-resident Indians etc.) are required to send a scanned copy (PDF/ JPG Format) of their board resolution/ authority letter/ power of attorney etc., authorizing their representatives to attend/ participate in the AGM through VC/ OAVM on their behalf and to vote through remote e-voting. The said resolution/ authority letter/ power of attorney, etc. shall be sent to the Scrutinizer by e-mail through their registered e-mail address [leadcs@gmail.com](mailto:leadcs@gmail.com) with a copy marked to [evoting@cDSLindia.com](mailto:evoting@cDSLindia.com).
16. Pursuant to Section 91 of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will be closed from Sunday, the 25<sup>th</sup> December, 2022 to Saturday, the 31<sup>st</sup> December 2022, (both days inclusive) for the purpose of AGM.
17. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission and 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 forms are requested to consider converting their holdings to dematerialized form. Members can contact the company or RTA, Cameo Corporate Services Limited, in this regard.
18. To support the 'Green Initiative' members who have not yet registered email addresses are requested to register the same with their DP's in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
19. Members are requested to notify immediately any change pertaining to postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nomination, Power of Attorney, bank details such as name of the Bank and branch details, bank account

number, MICR code, IFSC code to their Depositories Participants (DPs) in respect of their electronic share accounts and to RTA of the Company in respect of their physical share folios, if any.

20. Pursuant to the provisions of Section 72 of the Companies Act 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in demat form may contact their respective DP for availing this facility.

21. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the company or RTA, 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.

22. In case of joint holders, the Members 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.

23. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible.

24. The Company has designated an exclusive e-mail ID namely: ca@spel.com for receiving and addressing investors' grievances. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the company on or before 24th Decemder, 2022 through email on ca@spel.com. The same will be replied by the company suitably.

25. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the RTA.

26. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, change of address, change of name, e-mail address, contact numbers etc. to their respective Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's record which will help the Company and the RTA, Alankit Assignments Limited, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.

27. The shareholders shall have one vote per equity share held by them. The facility of e-voting would be provided once for every folio/ client id, irrespective of the number of joint holders.

28. The remote e-voting period commences Tuesday ,the 27<sup>th</sup> December, 2022 at 9.00 a.m. (IST) and ends on Friday the 30<sup>th</sup> December, 2022 at 5.00 p.m. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 25<sup>th</sup> December, 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. Those Members, who will be 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 during the AGM.

29. Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the Notice of AGM and holds shares as on the cut-off date i.e. 25<sup>th</sup> December 2022, may obtain the login ID and password by sending a request at investor@cameoindia. com.

30. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast during the AGM, thereafter unblock the votes cast through remote voting and make not later than 48 hours from the conclusion of meeting, 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.

31. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.natronix.net](http://www.natronix.net) and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the BSE Limited.

32. Additional information on Directors recommended for appointment/re-appointment as required under Regulation 36(3) & 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – II issued by the Institute of Company Secretaries of India.

33. The Securities and Exchange Board of India (SEBI) has recently mandated furnishing of Income Tax PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1st January 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after 1st April 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at [www.natronix.net](http://www.natronix.net).

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

1. The remote e-voting period commences Tuesday, the 27<sup>th</sup> December, 2022 at 9.00 a.m. (IST) and ends on Friday, the 30<sup>th</sup> December, 2022 at 5.00 p.m. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 25<sup>th</sup> December, 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

2. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.

#### **THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins on <Date and Time> and ends on <Date and Time>. 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 <Record Date> 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 venue.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of SEBI circular **no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

| Type of shareholders   | Login Method  |
|--|---|
| Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b> | <p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e.</p> |



|   |  |
|---|--|
|   | <p>CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>  |
| <p>Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b></p>             | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p> |
| <p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository</b></p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>  |

|                          |  |
|--------------------------|--|
| <b>Participants (DP)</b> |  |
|--------------------------|--|

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| <b>Login type</b>   | <b>Helpdesk details</b>  |
|---|--|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with <b>NSDL</b> | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30         |

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - 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.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

|     | <b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>   |
|-----|--|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) |

|   |  |
|---|--|
|   | <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>   |
| Dividend Bank Details <b>OR</b> Date of Birth (DOB) | <p>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.</p> <ul style="list-style-type: none"> <li>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.</li> </ul> |

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://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](mailto: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 will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, 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 mandatory 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 (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.

7. 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 atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM/EGM 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 EGM/AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

#### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. 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 email id**.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**

3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33. (East), Mumbai – 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

II. The facility of e-voting shall also be made available at the Meeting. Members attending the Meeting who have not already cast their vote by remote e-voting facility shall be able to exercise their right at the Meeting. If any votes are cast by the Member through the e-voting available during the AGM but the Member does not participate in the meeting through VC/OAVM facility,

then the votes cast by such Member shall be considered invalid as the facility of e-voting during the meeting is available only to the Member attending the meeting.

III. The Members who have cast their vote by remote e-voting facility prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again at the Meeting. If a Member cast their vote again, then votes cast through remote e-voting facility shall prevail and voting at the Meeting will be treated invalid.

IV. The voting rights of the Members shall be in proportion to their share of the paid-up Equity Share Capital of the Company as on the cut-off date of **25<sup>th</sup> December 2022**. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cutoff date only shall be entitled to avail the facility of remote e-voting or voting at the AGM. Any person who has ceased to be the Member of the Company before the cut-off date will not be entitled for remote e-voting or voting at the Meeting. Any person, who becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at [investor@cameoindia.com](mailto:investor@cameoindia.com) However, if any Member is already registered with CDSL for e-voting then he/she can use his/her existing user ID and password / PIN for casting their vote.

**Member Queries with Respect to Annual Report or Businesses as Stated in the AGM Notice:**

(i) For smooth conduct of AGM proceedings, Members who wish to receive information with respect to Company's Annual Report for the year 2022 or have questions with regard to the financial statements and the matters to be placed at this AGM, can send their request by providing their name, demat account number / folio number from their registered e-mail ID [to\\_ca@spel.com](mailto:to_ca@spel.com) , at least 48 hours in advance before the start of meeting i.e. by **29<sup>th</sup> December 2022, before 1430 Hours (IST)**.

(ii) Members who wish to ask questions or express their views at the AGM may register themselves as a '**Speaker**' by sending their request by providing their name, demat account number / folio number and mobile number from their registered e-mail ID to [to\\_ca@spel.com](mailto:to_ca@spel.com), at least 48 hours in advance before the start of meeting i.e. by **29<sup>th</sup> December 2022, before 1430 Hours (IST)**. Those Members who have registered themselves as a speaker will only be allowed to speak at the Meeting.

**Members may note that the Company reserves the right to restrict the number of questions and number of speakers during the AGM, depending upon availability of time and for conducting the proceedings of the meeting smoothly.**

**15. Inspection of Documents:** The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members during the AGM. All documents referred to in the AGM Notice and Explanatory Statement will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of the ensuing Annual General Meeting between 1400 hours to 1600 hours (IST) on all working days (except Saturdays, Sundays and Holidays). Members seeking to inspect such documents can send an email to [ca@spel.com](mailto:ca@spel.com).

**16. Dissemination of AGM Notice & Annual Report:** Electronic copy of the Annual Report for the financial year 2022 including the AGM Notice of the Company, inter-alia, indicating the process and manner of electronic voting ("e-voting") is being sent to all the Members whose email addresses are registered with the Company/Depository Participant(s), for communication purposes, unless

any member has requested for a hard copy of the same. For Members who have not registered their email addresses, hard copies of the Annual Report for the financial year 2022 including the AGM Notice are being sent in the permitted mode. In case any member is desirous of obtaining hard copy of the Annual Report for the financial year 2022 and AGM Notice of the Company, may send request to the email address at [investor@cameoindia.com](mailto:investor@cameoindia.com) mentioning Folio No./ DP ID and Client ID. Members who have not registered their e-mail addresses may get the same registered by sending an e-mail to the Company's Registrar, providing necessary details like Folio No./ DPID, Client ID, name and address, scanned copy of the share certificate (front and back) or Client Master Copy, self-attested scanned copy of PAN card and AADHAAR Card.

17. Members may also note that the Annual Report and the AGM Notice are available on the Company's website: [www.natronix.net](http://www.natronix.net). Additionally, these can be accessed on the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) at [www.evotingindia.com](http://www.evotingindia.com).

18. The Company has appointed Mr. T Balasubramian, Practicing Company Secretary is appointed as the scrutinizer to scrutinize the e-voting at AGM and remote e-voting process in a fair and transparent manner.

19. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of the conclusion of the e-voting period, a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him in writing who shall countersign the same and shall declare the result of the voting forthwith.

20. The Results declared along with the Report of the Scrutiniser shall be placed on the website of the Company [www.natronix.net](http://www.natronix.net) and on the website of CDSL immediately after the declaration of result by the Chairperson or a person authorised by him in writing. The results shall also be communicated to the Stock Exchanges.

**Place: Chennai**  
**Date: 14-11-2022**

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

**I Details of director 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:**

|                             |   |
|-----------------------------|---|
| <b>Name of the Director</b> | <b>Mr. D. Balakrishnan</b>  |
| 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  | 500   |

**I. Details of director 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:**

|  |   |
|--|---|
| <b>Name of the Director</b>  | <b>Mr. M.Jayasankar</b>   |
| DIN  | 00048351  |
| Date of Birth  | Sep 24, 1935  |
| Date of Appointment  | Feb 14, 2022  |
| Qualification  | B.E(CHEM) Bachelor of chemical engineering.   |
| Expertise in specific functional areas   | Was the Managing Director of Tuticorin Alkali Chemicals and Fertilizers Ltd., for eight years before retiring.<br>Expertise in Project Management, General Management and Financial Management. |
| List of other Directorships held excluding foreign companies, Companies under Section 8 of the Companies Act, 2013 and Private Companies | SPIC PETROCHEMICALS LTD   |
| 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  | Nil   |

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

ItemNo.4 Mr.M.Jayasankar (DIN 00048351) was appointed as a Non- Executive Additional Director at the Board meeting held on 14-02-2022 liable to retire by rotation and he will hold office till the conclusion of the forthcoming Annual General Meeting. As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), as amended vide SEBI LODR (Amendment) Regulations, 2018 w.e.f. April 1, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the notice for such appointment. Accordingly,



special resolution is proposed to take shareholders' approval for appointment of Mr.M.Jayasankar as a Non- Executive Director.

The Company has received from Mr.M.Jayasankar (i) consent in writing to act as director in Form DIR-2 of the Rules; (ii) intimation in Form DIR-8 of the Rules to the effect that they are not disqualified under Section 164(2) of the Act; (iii) intimation to the effect that they are not disqualified from being appointed a director of a listed 5entity by virtue of any SEBI order or order of any such authority, as per instructions given by SEBI and circulated to the companies by BSE vide its Circular No. LIST/COMP/14/2018-19 dated June 20, 2018; and (iv) declaration to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of LODR. Necessary notices in writing under the provisions of section 160 of the Act have also been received from the members proposing the candidature of Mr.M.Jayasankar, as a Non- Executive Director. The Company and also on the basis of his performance evaluation, the Board of Directors of the Company have, on the recommendation of the Nomination and Remuneration Committee, considered it desirable that it will be in the interest of the Company to continue to avail the services of the . The brief resume of the said Directors, nature of their expertise in specific functional areas, disclosure of relationships between directors, chairmanships/ directorships/memberships of the committees of the Board of listed entities, their shareholding etc. are set-out in Annexure-A of this Notice.

The Board of Directors accordingly recommends the Special Resolution as mentioned Mr.M.Jayasankar.

**Place: Chennai**  
**Date: 14-11-2022**

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

## Directors' Report

Your Directors present the 37<sup>th</sup> **Annual Report** of the Company together with the Audited Accounts for the year ended Mar 31, 2022. Financial Highlights / Performance/ the Operating results of your Company as per IndAS Financial Statements for the year ended Mar 31, 2022 are given below:

### 1. Financial Highlights/Performance

| Particulars  | Rs in lakhs                |                            |
|--------------|----------------------------|----------------------------|
|              | Year ended<br>Mar 31, 2022 | Year ended<br>Mar 31, 2021 |
| Sales        | 1564.58                    | 1,592.11                   |
| Other Income | 135.73                     | 545.23                     |
| PBIDT        | (599.78)                   | (17.36)                    |
| Finance Cost | 86.41                      | 116.45                     |

|   |           |          |
|---|-----------|----------|
| Depreciation                                    | 469.23    | 430.44   |
| Profit / (Loss) before Before Exceptional items | (588.42)  | (564.25) |
| Exceptional items                               | 567.00    | 280.08   |
| Profit / (Loss) before Tax                      | (1155.42) | (844.33) |
| Tax Expense                                     | 28.93     | 19.17    |
| Profit / (Loss) after Taxation                  | (1184.35) | (863.50) |

## Company's performance

During the year under review the overall performance of your Company has shown negative growth rate due to lock down imposed for several months as a result of impact of Covid-19. The turnover of the company has come down by 20.45% 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 2022-23. The outlook for FY 2022-23 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 global semiconductor industry sales totaled \$555.9 billion in 2021, the highest-ever annual total and an increase of 26.2% compared to the 2020 total of \$440.4 billion. The industry shipped a record 1.15 trillion semiconductor units in 2021, as chip companies ramped up production to address high demand amid the global chip shortage. Global sales for the month of December 2021 were \$50.9 billion, an increase of 28.3% compared to the December 2020 total and 1.5% more than the total from November 2021. Fourth-quarter sales of \$152.6 billion were 28.3% more than the total from the fourth quarter of 2020 and 4.9% higher than the total from third quarter of 2021.

Demand for semiconductor production is projected to rise significantly in the years ahead, as chips become even more heavily embedded in the essential technologies of now and the future.

On a regional basis, sales into the Americas market saw the largest increase (27.4%) in 2021. China remained the largest individual market for semiconductors, with sales there totaling \$192.5 billion in 2021, an increase of 27.1%. Annual sales also increased in 2021 in Europe (27.3%), Asia Pacific/All Other (25.9%), and Japan (19.8%). Sales for the month of December 2021 increased compared to November 2021 in the Americas (5.2%), China (0.8%), Europe (0.3%), and Asia Pacific/All Other (0.1%), but fell slightly in Japan (-0.3%).

## A. Market Drivers

Several semiconductor product segments stood out in 2021. Analog, a type of semiconductor that is commonly used in vehicles, consumer goods, and computers, had the highest annual growth rate of 33.1%, reaching \$74 billion in 2021 sales. Logic (\$154.8 billion in 2021 sales) and memory (\$153.8 billion) were the largest semiconductor categories by sales. Annual sales of logic products

increased by 30.8% compared to 2020, while sales of memory products were up 30.9%. Sales of micro-ICs — a category that includes microprocessors — increased 15.1% to \$80.2 billion in 2021. Sales of all non-memory products combined increased by 24.5% in 2021. Sales of automotive ICs increased 34.3% year-over-year to a record high of \$26.4 billion.

Demand for semiconductors is projected to grow substantially in the years ahead due to the increased digitization of the economy, growing demand for “smart” products, increased remote work, schooling, and shopping, and the importance of advanced technologies in addressing climate change and healthcare needs, among other factors. To meet this growing demand and counter the supply chain shock caused by the pandemic, the semiconductor industry has in the short term substantially expanded shipments by increasing the utilization of existing manufacturing capacity.

The strongest-growing segment is likely to be automotive, where we could see a tripling of demand, fueled by applications such as autonomous driving and e-mobility. The 2030 cost of semiconductor content in a Level 4 car with an electric drive train could be about \$4,000 compared with \$500 for an SAE Level 1 car powered by an internal-combustion engine. Accounting for just 8 percent of semiconductor demand in 2021, the automotive industry could represent from 13 to 15 percent of demand by the end of the decade. On that basis, the segment would be responsible for as much as 20 percent of industry expansion over the coming years.

## **B. Semiconductor Mergers:**

Intel Corporation (NASDAQ: INTC) and Tower Semiconductor (NASDAQ: TSEM), a leading foundry for analog semiconductor solutions, announced a definitive agreement. Under the agreement, Intel will acquire Tower Semiconductor for \$53 per share in cash, with a total enterprise value of approximately \$5.4 billion. This acquisition vigorously advances Intel's IDM2.0 strategy, further expanding Intel's manufacturing capacity, global presence and technology portfolio to meet unprecedented industry demands.

.AMD said that it has officially completed the acquisition of the FPGA giant Xilinx, a record transaction valued at \$49.8 billion (316.5 billion yuan) in the chip industry. The deal came after Nvidia dropped plans to buy SoftBank's Arm, citing regulatory hurdles.

World Advanced (VIS) announced that it has officially taken over AUO's L3B factory and become the company's fifth wafer factory. The acquisition was announced on April 28, 2020, with a transaction value of NT\$905 million (approximately RMB 207 million).

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

The outsourced semiconductor assembly and test services (OSAT) market was valued at USD 37.95 billion in 2022, and it is projected to be worth USD 60.19 billion by 2027, registering a CAGR of 7.47% during the period, 2022-2027

The semiconductor industry has been growing, with miniaturization and efficiency being the focus areas and the semiconductors emerging as building blocks of all modern technology. The advancements and innovations in this field have been directly impacting all downstream technologies.

The rising commercialization of applications like AI and 5G is also fueling advancements in packaging platforms, like Fan-Out Packaging and the 3D Flip Chip technology, to address the high-power consumption need and provide benefits such as greater chip connectivity. This forces many companies to collaborate with OSAT vendors; hence, many OSATs such as ASE/SPIL, Amkor, and JCET invest in various advanced SiPs and fan-out technology to gauge their competition.

The outbreak of COVID-19 across the world significantly disrupted the supply chain and production of the studied market in the initial phase of 2020. For circuits and chipmakers, the impact was more severe. Due to labor shortages, many packages and testing plants in the Asia-Pacific region reduced or even suspended operations. This also created a bottleneck for companies that depend on such back-end package and testing capacity..

#### **D. The Indian Semiconductor Industry**

The Indian semiconductor market was valued at \$27 billion in 2021 and is expected to grow at a healthy CAGR of 16% up to 2026 to reach \$64 billion in 2026. Furthermore, the report also highlighted that 80 per cent of the total revenue in the Indian semiconductor industry stemmed from mobile phones, smart wearables, IT, and other industrial components. Additionally, with the telecom industry preparing to rollout 5G technology by deploying cloud networks, the demand for semiconductors is expected to skyrocket.

With the lockdown seemingly ongoing in China and with the growing Chinese crackdown on big tech companies, some manufacturers may just be tempted to take up these offers, especially with the demand for semiconductors only increasing in recent times. Geographically, the country is also well-positioned to handle the heavy logistical demands the semiconductor companies require.

International semiconductor consortium ISMC, led by Next Orbit Ventures and Israel's Tower Semiconductor as JV partner, signed a Rs 22,900-crore (\$3 billion) agreement with the Karnataka government to set up a chip-manufacturing plant on 150 acres of land in Mysuru's Kochanahalli Industrial Area.

The Karnataka government is setting up an Electronics Manufacturing Cluster at Kochanahalli, located around 5 km from Mysuru Airport. The semiconductor plant is expected to generate 1,500 high-tech and high-quality jobs and at least 10,000 ancillary jobs. The proposed plant is expected to provide a significant boost to the industrialization of the district.

According to Ajay Jalan, ISMC Director and Next Orbit Founder and Managing Partner, the consortium selected Karnataka as the location for its fab factory due to water availability, the stable power situation in the state, access to talent, quality of life for talented engineers, incentive package offered by the state.

ISMC was considering Dholera Investment Region in Gujarat as a possible site for the chip manufacturing plant. Suggestions have emerged that the state may have lost out due to water. However, the real reason is that Gujarat also does not have formidable electronic manufacturing and design ecosystem like Karnataka.

### **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 2021-22 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

Pursuant to the provisions of Section 92 (3) and 134 (3) (a) of the Companies Act, 2013, extract of the Annual Return (Form MGT-9) for the year ended March 31, 2022 will be placed on the website of the Company at <http://www.natronix.net/forms.html>.

## 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       | 42, 783 Units |
| Savings in Water consumption | 2,169 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:\$17.52 Lakhs

Foreign Exchange earned during the year :\$14.02 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.K.Ravikumar, is retiring by rotation, being eligible, offers himself for re-appointment.

### **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 2021-22.

### **Acknowledgements**

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

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

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

**N. Suryanarayanan  
Director**

**DIN 02282919**

**D. Balakrishnan  
Whole Time Director &CEO**

**DIN: 02131242**

**S. Chandramohan  
Director**

**DIN 00052571**

**Place :Chennai**

**Date: 30<sup>th</sup> May 2022**

**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

Place: Chennai  
Date: 30-05-2022

By order of the Board  
for SPEL Semiconductor Limited

D. Balakrishnan  
Whole Time Director &CEO

DIN:02131242

| L. No. | Particulars  | Explanation<br>medianRemuneration.  | Ratio |
|--------|--|---|-------|
| 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,<br>Director & CEO   | 4.30  |
| 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.  | 156 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 cameout 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. | Particulars Mar 31, 2022 %ge<br>Market capitalization Rs 313,47,05,278/- +349%<br>Price Earnings Ratio -26.47 -226.76%  |
| 8. | Average percentile increasealready made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.   | There was no increase in the managerial remuneration.   |
| 9. | Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company   | Comparison of the remuneration of the key managerial personnel against the performance of the company aggregate remuneration of key managerial personnel (KMP) in 2022.<br>Revenue in (Lakhs) 1700.31<br>Remuneration of KMPs (as % of revenue) 1.35%<br>Profit before tax (PBT) (Lakhs) (1155.42)<br>Remuneration of KMPs (as % of PBT) 3.42 |
|    | 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 and Analysis Report:

The management of your company is pleased to submit the following:

#### The Global Semiconductor Industry:

The Semiconductor Industry Association (SIA) today announced global semiconductor industry sales totaled \$555.9 billion in 2021, the highest-ever annual total and an increase of 26.2% compared to the 2020 total of \$440.4 billion. The industry shipped a record 1.15 trillion semiconductor units in 2021, as chip companies ramped up production to address high demand amid the global chip shortage. Global sales for the month of December 2021 were \$50.9 billion, an increase of 28.3% compared to the December 2020 total and 1.5% more than the total from November 2021. Fourth-quarter sales of \$152.6 billion were 28.3% more than the total from the fourth quarter of 2020 and 4.9% higher than the total from third quarter of 2021.

Demand for semiconductor production is projected to rise significantly in the years ahead, as chips become even more heavily embedded in the essential technologies of now and the future.

On a regional basis, sales into the Americas market saw the largest increase (27.4%) in 2021. China remained the largest individual market for semiconductors, with sales there totaling \$192.5 billion in 2021, an increase of 27.1%. Annual sales also increased in 2021 in Europe (27.3%), Asia Pacific/All Other (25.9%), and Japan (19.8%). Sales for the month of December 2021 increased compared to November 2021 in the Americas (5.2%), China (0.8%), Europe (0.3%), and Asia Pacific/All Other (0.1%), but fell slightly in Japan (-0.3%).

#### E. Market Drivers

Several semiconductor product segments stood out in 2021. Analog, a type of semiconductor that is commonly used in vehicles, consumer goods, and computers, had the highest annual growth rate of 33.1%, reaching \$74 billion in 2021 sales. Logic (\$154.8 billion in 2021 sales) and memory (\$153.8 billion) were the largest semiconductor categories by sales. Annual sales of logic products increased by 30.8% compared to 2020, while sales of memory products were up 30.9%. Sales of micro-ICs — a category that includes microprocessors — increased 15.1% to \$80.2 billion in 2021. Sales of all non-memory products combined increased by 24.5% in 2021. Sales of automotive ICs increased 34.3% year-over-year to a record high of \$26.4 billion.

Demand for semiconductors is projected to grow substantially in the years ahead due to the increased digitization of the economy, growing demand for “smart” products, increased remote work, schooling, and shopping, and the importance of advanced technologies in addressing climate change and healthcare needs, among other factors. To meet this growing demand and counter the supply chain shock caused by the pandemic, the semiconductor industry has in the short term substantially expanded shipments by increasing the utilization of existing manufacturing capacity.

The strongest-growing segment is likely to be automotive, where we could see a tripling of demand, fueled by applications such as autonomous driving and e-mobility. The 2030 cost of semiconductor content in a Level 4 car with an electric drive train could be about \$4,000 compared with \$500 for an SAE Level 1 car powered by an internal-combustion engine. Accounting for just 8

percent of semiconductor demand in 2021, the automotive industry could represent from 13 to 15 percent of demand by the end of the decade. On that basis, the segment would be responsible for as much as 20 percent of industry expansion over the coming years.

#### **F. Semiconductor Mergers:**

Intel Corporation (NASDAQ: INTC) and Tower Semiconductor (NASDAQ: TSEM), a leading foundry for analog semiconductor solutions, announced a definitive agreement. Under the agreement, Intel will acquire Tower Semiconductor for \$53 per share in cash, with a total enterprise value of approximately \$5.4 billion. This acquisition vigorously advances Intel's IDM2.0 strategy, further expanding Intel's manufacturing capacity, global presence and technology portfolio to meet unprecedented industry demands.

.AMD said that it has officially completed the acquisition of the FPGA giant Xilinx, a record transaction valued at \$49.8 billion (316.5 billion yuan) in the chip industry. The deal came after Nvidia dropped plans to buy SoftBank's Arm, citing regulatory hurdles.

World Advanced (VIS) announced that it has officially taken over AUO's L3B factory and become the company's fifth wafer factory. The acquisition was announced on April 28, 2020, with a transaction value of NT\$905 million (approximately RMB 207 million).

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

The outsourced semiconductor assembly and test services (OSAT) market was valued at USD 37.95 billion in 2022, and it is projected to be worth USD 60.19 billion by 2027, registering a CAGR of 7.47% during the period, 2022-2027

The semiconductor industry has been growing, with miniaturization and efficiency being the focus areas and the semiconductors emerging as building blocks of all modern technology. The advancements and innovations in this field have been directly impacting all downstream technologies.

The rising commercialization of applications like AI and 5G is also fueling advancements in packaging platforms, like Fan-Out Packaging and the 3D Flip Chip technology, to address the high-power consumption need and provide benefits such as greater chip connectivity. This forces many companies to collaborate with OSAT vendors; hence, many OSATs such as ASE/SPIL, Amkor, and JCET invest in various advanced SiPs and fan-out technology to gauge their competition.

The outbreak of COVID-19 across the world significantly disrupted the supply chain and production of the studied market in the initial phase of 2020. For circuits and chipmakers, the impact was more severe. Due to labor shortages, many packages and testing plants in the Asia-Pacific region reduced or even suspended operations. This also created a bottleneck for companies that depend on such back-end package and testing capacity..

#### **H. The Indian Semiconductor Industry**

The Indian semiconductor market was valued at \$27 billion in 2021 and is expected to grow at a healthy CAGR of 16% up to 2026 to reach \$64 billion in 2026. Furthermore, the report also highlighted that 80 per cent of the total revenue in the Indian semiconductor industry stemmed from mobile phones, smart wearables, IT, and other industrial components. Additionally, with the telecom industry preparing to rollout 5G technology by deploying cloud networks, the demand for semiconductors is expected to skyrocket.

With the lockdown seemingly ongoing in China and with the growing Chinese crackdown on big tech companies, some manufacturers may just be tempted to take up these offers, especially with the demand for semiconductors only increasing in recent times. Geographically, the country is also well-positioned to handle the heavy logistical demands the semiconductor companies require.

International semiconductor consortium ISMC, led by Next Orbit Ventures and Israel's Tower Semiconductor as JV partner, signed a Rs 22,900-crore (\$3 billion) agreement with the Karnataka government to set up a chip-manufacturing plant on 150 acres of land in Mysuru's Kochanahalli Industrial Area.

The Karnataka government is setting up an Electronics Manufacturing Cluster at Kochanahalli, located around 5 km from Mysuru Airport. The semiconductor plant is expected to generate 1,500 high-tech and high-quality jobs and at least 10,000 ancillary jobs. The proposed plant is expected to provide a significant boost to the industrialization of the district.

According to Ajay Jalan, ISMC Director and Next Orbit Founder and Managing Partner, the consortium selected Karnataka as the location for its fab factory due to water availability, the stable power situation in the state, access to talent, quality of life for talented engineers, incentive package offered by the state.

ISMC was considering Dholera Investment Region in Gujarat as a possible site for the chip manufacturing plant. Suggestions have emerged that the state may have lost out due to water. However, the real reason is that Gujarat also does not have formidable electronic manufacturing and design ecosystem like Karnataka.

### **SPEL Positioning**

a The first two months of 2022-23 got off to a strong start in , Global semiconductor production is on the rise to meet increasing demand and ease the ongoing chip shortage affecting the auto sector and others, and hence the annual sales are projected to increase in 2021-22. Longer lead-time with regard to the raw materials is a concern, as most of the supply chain is based in SEA countries which are facing intermittent lockdowns due to COVID.

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 like package design , Test HW development & drop shipment 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, MS teams, Google Meet 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. Global demand for semiconductors will remain high in the coming quarters, as reflected by rising sales across a range of chip products and throughout each of the world's major regional markets. The global chip market is projected to grow substantially in 2021 and 2022 as

semiconductors become increasingly integral to the game-changing technologies of today and the future . This will have a positive effect on SPEL's business.

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

**Place: Chennai**

**Date: 30-05-2022**

**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, 2022

[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.46,11,74,430. 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, 2022 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, 2022 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 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.**
- has not been displayed**

**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. *The company has filed forms and annual returns within due date*

### **Under SEBI( LODR) 2015:**

**(1)** The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

#### **1. Regulation 6(1) – appointment of qualified Company Secretary as Compliance Officer**

The Company had appointed a qualified Company Secretary on 03<sup>rd</sup> April 2021.

#### **2. Regulation 33**

Delayed submission of the financial results within the period prescribed under this regulation

***The Company has not submitted financial results for the quarter ended September 2021 within prescribed time and has been levied fine for the late submission of financials.***

#### **3. Regulation 17(1) - Requirements pertaining to the composition of the Board including appointment of woman director**

Ms. Enakshi Bhattacharya was appointed as women Director on 23<sup>rd</sup> July 2021

#### **4. Regulation 31**

Delayed submission of shareholding pattern.

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: 17-12-2022

S/d:

T.Balasubramanian

FCS: 7987

CP No: 3402

UDIN:F007987D002740244

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:17-12-2022

S/d  
T. Balasubramanian  
FCS: 7987  
CP No: 3402  
UDIN: :F007987D002740244

## **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 4 Directors. The Board comprise 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<br>Director                     | Non-Executive Independent                        | 5                                    | 5                        | 3  | 6  | Yes                             |
| Mr. N. Suryanarayanan<br>Director                | Non-Executive Independent                        | 5                                    | 4                        | -  | -  | Yes                             |
| Dr. Enakshi<br>Bhattacharya<br>Director          | Non-Executive Independent                        | 5                                    | 5                        | 1  | -  | Yes                             |
| Mr. S. Chandramohan<br>Director                  | Non-Executive Independent                        | 5                                    | 5                        | -  | -  | Yes                             |
| Mr. D. Balakrishnan<br>Whole Time Director & CEO | Executive  | 5                                    | 5                        | 1  | -  | Yes                             |

**28-06-2021, 23-08-2021-two meetings, 23-11-2021, 14-02-2022.**

\* 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, 2022, Five (5) Board Meetings were held on June 28, 2021, August 23, 2021 (Two meetings), November 23, 2021, and Feb 14, 2022.

#### 1. Composition of various Board Committees

| Name of the Committee | Name of Directors  | Category                     |
|-----------------------|--|------------------------------|
| Audit Committee       | Mr. N. Suryanarayanan<br>Mr. S. Chandramohan<br>Dr. Enakshi Bhattacharya | Chairman<br>Member<br>Member |

|                                       |  |                              |
|---------------------------------------|--|------------------------------|
| Stakeholders Relationship Committee   | Dr. Enakshi Bhattacharya<br>Mr. D. Balakrishnan<br>N. Suryanarayanan     | Chairman<br>Member<br>Member |
| Nomination and Remuneration Committee | Mr. S. Chandramohan<br>Mr. N. Suryanarayanan<br>Dr. Enakshi Bhattacharya | Chairman<br>Member<br>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

To review the Internal Control Systems and Internal Audit Reports and their compliance thereof. Four Audit Committee Meetings were held on August 23, 2021 (Two meetings), November 23, 2021, and Feb 14, 2022.

| Names of the Directors   | No. of Audit Committee Meetings attended |
|--------------------------|--|
| Mr. N. Suryanarayanan    | 3  |
| Dr. Enakshi Bhattacharya | 4  |
| 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)**

| <b>Remuneration paid during the year 2021-22</b> |                          |   |                                |              |             |
|--|--------------------------|---|--------------------------------|--------------|-------------|
| S.No.  | Names of Directors       | Salary / Special allowance/ Perquisites | Commission / Bonus / Incentive | Sitting fees | Total       |
| 1.   | Mr. K. Ravikumar         | NA                                      | NA                             | 32,000/-     | 32,000/-    |
| 2.   | Dr. Enakshi Bhattacharya | NA                                      | NA                             | 46,000/-     | 46,000/-    |
| 3.   | Mr. N. Surya Narayanan   | NA                                      | NA                             | 46,000/-     | 46,000/-    |
| 4.   | Mr. S. Chandra Mohan     | NA                                      | NA                             | 58,000/-     | 58,000/-    |
| 5.   | Mr. D. Balakrishnan      | 23,71,000--                             | NA                             | NA           | 23,71,000/- |

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, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-Time Director in accordance with the provisions of schedule of the Act and if 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 2021-22-:

| 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, MM Nagar (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. Six Stakeholders Relationship Committee Meetings were held on April 21, 2021, August 23, 2021, October 28, 2021, February 26, 2021, November 26, 2021 & February 22, 2022

| Names of the Directors   | No. of Stakeholders Relationship Committee Meetings attended |
|--------------------------|--|
| Mr. N. Suryanarayanan    | 5  |
| Dr. Enakshi Bhattacharya | 6  |
| Mr. D. Balakrishnan      | 6  |

## 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.      | 2018 - 2019    | 5 CMDA Industrial Estate, Maraimalai Nagar 603 209 | Sep 28, 2019 3.30 PM  |
| 2.      | 2019-20        | 5 CMDA Industrial Estate, Maraimalai Nagar 603 209 | Dec 31 2020, 12 Noon  |
| 3       | 2020-21        | 5 CMDA Industrial Estate, Maraimalai Nagar 603 209 | Nov 23, 2021, 2.30 PM |

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

1. 34<sup>th</sup> AGM : Nil
2. 35<sup>th</sup> AGM : Nil
3. 36<sup>th</sup> AGM : Nil

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

**4. Disclosures**

- a. Not a transaction of material nature has been entered into by the Company with related parties i.e. Director 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 Exchange 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) : 31<sup>st</sup> December , 2022 through Video Conferencing or Other Audio –Visaul means

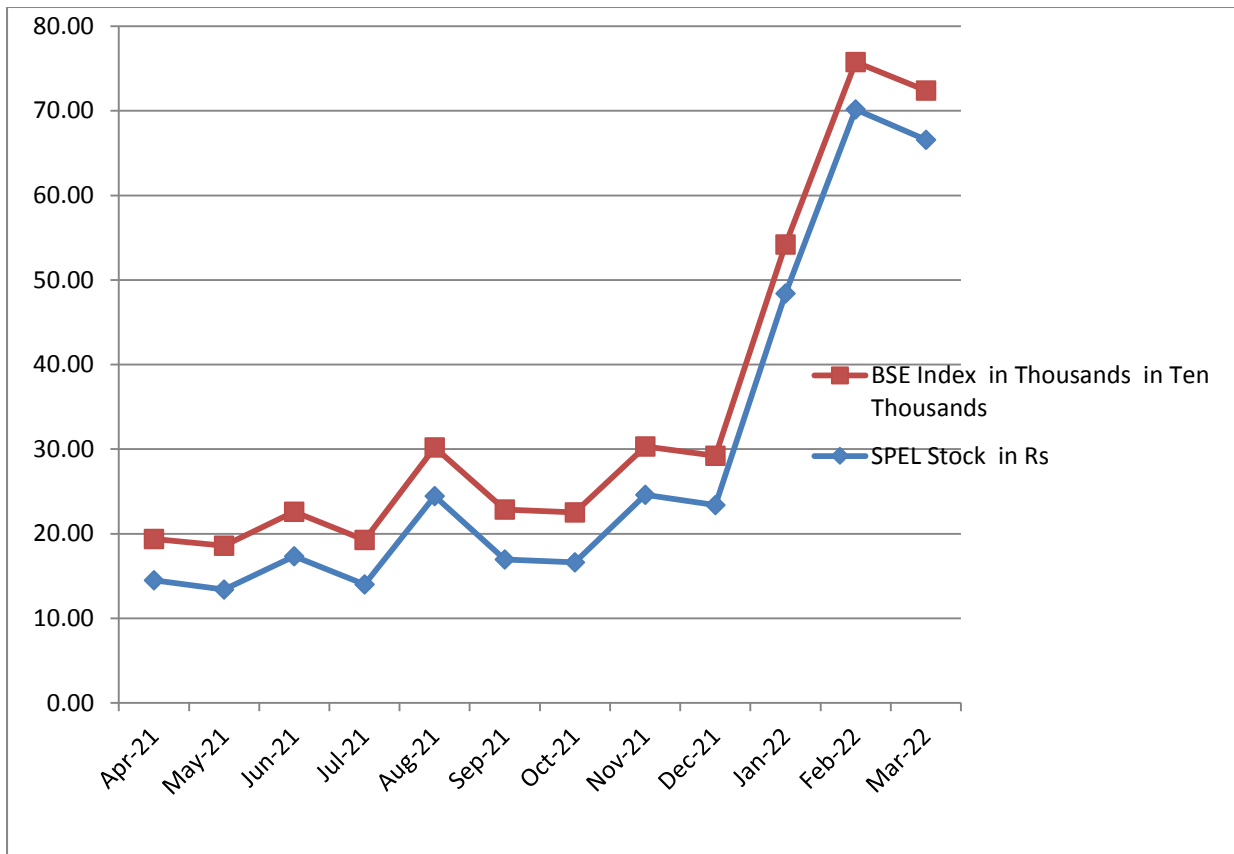
2 Financial year : 2021-2022

3. Dates of Book Closure : 25<sup>th</sup> December ,2022 to 31<sup>st</sup> December 2022
4. Listed on Stock Exchange BSE Limited (BSE)
5. Stock Code : Demat - 517166, Physical - 17166
6. ISIN Number NSDL & CDSL : INE252A01019
7. Outstanding GDR/ADR/Warrants Or any convertible instruments: No
8. Registrar & Share Transfer Agent : Cameo Corporate Services Limited
9. 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
10. Share Transfer System : All transfer requests received are processed  
And Approved by an Authorized Signatory.  
Normally transfers are processed and  
Approved twice a month.
11. Factory Location : CMDA Industrial Estate, MM Nagar  
(Chennai), 603209. India.

#### 9. Distribution of Shareholding as on Mar 31, 2022

| Category                        | No. of Folios | No. of Shares   | %              |
|---------------------------------|---------------|-----------------|----------------|
| Promoter & Promoter Group       | 5             | 27288780        | 59.17%         |
| Mutual Funds                    | 2             | 8600            | 0.02%          |
| Banks/Financial Institutions    | 2             | 1600            | 0.00%          |
| Central Government              | 1             | 1400            | 0.00%          |
| Foreign Institutional Investors | 1             | 9000            | 0.02%          |
| Non-Resident Indians            | 305           | 396939          | 0.86%          |
| Domestic Companies              | 218           | 512027          | 1.11%          |
| Resident Individuals            | 55686         | 17346729        | 37.61%         |
| Hindu Undivided Families        | 431           | 463025          | 1.00%          |
| Trusts                          | 4             | 3938            | 0.01%          |
| Employees                       | 10            | 6305            | 0.01%          |
| Clearing Members                | 41            | 79100           | 0.17%          |
| <b>Total</b>                    | <b>56706</b>  | <b>46117443</b> | <b>100.00%</b> |

#### Stock Performance V/s BSE Sensex



**10. Market Price Data High & Low, Trading volume and no. of trades during each month for FY2021-22**

| Month  | Open  | High  | Low   | Close | No. of Shares in Lakhs | No. of Trades |
|--------|-------|-------|-------|-------|------------------------|---------------|
| Apr-21 | 14.5  | 15.83 | 12.62 | 13.65 | 9.49                   | 2,582         |
| May-21 | 13.4  | 16.97 | 10.39 | 16.63 | 21.89                  | 4,032         |
| Jun-21 | 17.35 | 18.3  | 13.4  | 14.2  | 15.53                  | 3,839         |
| Jul-21 | 14.01 | 24.87 | 13.9  | 23.29 | 31.37                  | 5,627         |
| Aug-21 | 24.45 | 25.5  | 16.25 | 16.7  | 18.12                  | 6,222         |
| Sep-21 | 16.95 | 17.4  | 14.6  | 15.95 | 10.31                  | 4,429         |
| Oct-21 | 16.6  | 28.7  | 16.05 | 25.45 | 28.07                  | 6,830         |
| Nov-21 | 24.6  | 26.45 | 20.35 | 22.9  | 9.21                   | 4,813         |
| Dec-21 | 23.4  | 46.1  | 22.15 | 46.1  | 17.30                  | 4,936         |
| Jan-22 | 48.4  | 99    | 48.4  | 73.8  | 57.59                  | 38,192        |
| Feb-22 | 70.15 | 85.2  | 59.55 | 67.45 | 39.04                  | 45,976        |
| Mar-22 | 66.55 | 73.95 | 61.4  | 64.85 | 14.60                  | 25,258        |

**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 Conduct or Ethics Policy and the existence of said mechanism was appropriately communicated within the organization.

### **Chief Executive Officer's Declaration on Code of Conduct**

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

To

The Members of SPEL Semiconductor Limited

This is to certify that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management for the period ended Mar 31, 2022

**Date : May, 30, 2022**

**Place: Chennai**

**For SPEL Semiconductor Limited**

**D. Balakrishnan**

**Chief Executive Officer**

R

### **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 fact or contain statements that might be misleading
  - ii these statements together present a true and fair view of the Company's affairs and are in

compliance with existing accounting standards, applicable laws and regulations

b. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct except non-payment of the following:

i. Income-tax Deducted at Source (Part payment made for FY 2019-20)

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 : May, 30 2022**

**Place : Chennai**

**G.Venkatesan D. Balakrishnan**

**Chief Financial Officer Whole Time Director & CEO**

**INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (AS AMENDED)**

**TO THE MEMBERS OF SPEL SEMICONDUCTOR LIMITED**

1. The Corporate Governance Report prepared by SPEL SEMICONDUCTOR LIMITED ("the Company"), contains details 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2022. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

**Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design,

implementation, and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

#### **Auditor's Responsibility**

4. My responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.

5. I conducted my examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by 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.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but not limited to verification of secretarial records and financial information of the Company and obtaining necessary representations and declarations from directors including independent directors of the Company.

8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### **Opinion**

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to me, I am of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2022, referred to in paragraph 1 above.

#### **Other Matters and Restriction on use**

10. This Report 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.

11. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, I do not accept or

assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. I have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

**K. Nandhiswaran FCA , FCS**  
Chartered Accountant  
Membership No.207644  
UDIN: 22207644ANTBUW2667

May 30 , 2022  
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, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), 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, 2022, and the loss and total comprehensive income, changes in equity and its cash flows 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 opinion.

#### **Material Uncertainty Related to Going Concern**

I draw your attention to Note 3.15 of the Financial Statements of the Company. The Company has incurred losses and generated negative cash flows during the year and also in the 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 infusion 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 also draw your attention to Note 3.23 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 these matters.

### Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significant 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><b>A. Revenue Recognition</b></p> <p>Reference may be made to Note 1B.2 of significant accounting policies and Note 2.1 and 3.1 to the financial statements of the Company.</p> <p>Revenue recognition is inherently an area of audit risk, which I have substantially focused on mainly covering the aspects of cut off.</p> <p>Considering the above, impact of Ind AS 115 and cut off are considered as key audit matters.</p> | <p><b><u>Principal Audit Procedures</u></b></p> <p>Audit procedures relating to revenue comprised of test of controls and substantive procedures including the following:</p> <p>a. Performed procedures to assess the design of 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. 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</p> |



|  |   |
|--|---|
|  | <p>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 in relation to Ind AS 115 and were satisfied they meet the disclosure requirements.</p> <p><b><u>Conclusion</u></b><br/>Based on the procedures performed above, no material exceptions were found with regards to timing of revenue recognition and disclose requirement as per Ind AS 115 in the financial statements</p> |
| <p><b>B. Inventory valuation</b></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>The valuation of Inventory in accordance with Ind AS 2 has thus been considered as a key audit matter.</p> | <p><b><u>Principal Audit Procedures</u></b><br/>Audit procedures comprised of the following:</p> <ol style="list-style-type: none"> <li>a. Verified the maintenance of Records with respect to Raw Materials, Consumables, Work-in Progress and Finished Goods. The inventory was verified physically by management during the year and no material discrepancies were found that needed to be dealt with in the books of account.</li> <li>b. 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 .</li> </ol> <p><b><u>Conclusion</u></b><br/>Based on the procedures performed above, it was concluded that management has complied with the requirements of Ind AS 2</p>   |

|  |  |
|--|--|
| <p><b>c. Actuarial valuation</b></p> <p>Reference may be made to Note 1B.5 of significant accounting policies and Note 3.3 to the financial statements of the Company.</p> <p>There is a risk of material misstatement relating to the judgments 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>“Inventories”.</p> <p><b><u>Principal Audit Procedures</u></b></p> <p>Audit procedures comprised of the following:</p> <ol style="list-style-type: none"> <li>a. Determined whether the key assumptions adopted in the actuarial reports are reasonable.</li> <li>b. Assessed the competence, capabilities and objectivity of the expert, gained an understanding of their work and the suitability of the results as audit evidence for the relevant assertions.</li> <li>c. Examined the data made available to the experts for completeness and accuracy and gained an understanding of the process to determine the calculation and inputs used.</li> </ol> <p><b><u>Conclusion</u></b></p> <p>Based on the procedures performed above, no material exceptions was found with regards to the use of assumptions and actuarial valuation</p> |
| <p><b>D. Impairment in Trade Receivables</b></p> <p>Reference may be made to Note 1B.13 and of significant accounting policies and Note 1.5 and Note 3.1 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><b><u>Principal Audit Procedures</u></b></p> <p>Performed the following procedures in relation to the recoverability of trade receivable</p> <ol style="list-style-type: none"> <li>a. Tested the accuracy of aging of trade receivables at year end on a sample basis</li> <li>b. Obtained a list of outstanding receivables and identified any debtors with financial difficulty through discussions with management.</li> <li>c. Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management’s assessment with reference to the credit profile of the customers ,historical payment pattern of customers, publicly available information and latest correspondence<br/>with customers and to consider</li> </ol>   |

|  |  |
|--|--|
|  | <p>if any additional provision should be made;</p> <p>d. Tested subsequent settlement of trade receivables after the balance sheet date on a sample basis</p> <p><b><u>Conclusion</u></b><br/>Based on the above procedures, the key judgments and assumptions used by management in the recoverability assessment of trade receivables were found to be supportable based on the available evidence.</p>  |
| <p><b>E.Non-Payment/Belated Payment of Statutory Dues</b></p> <p>Company has not paid/paid belatedly various undisputed statutory dues.</p> <p>Payment of statutory dues regularly and within time reflects on the health of the company apart from the need for us to report on issues of non-compliance to members.</p> <p>We have, therefore, considered payment of statutory dues as a key audit matter.</p> | <p><b><u>Principal Audit Procedures</u></b></p> <p>Performed the following list of audit procedures.</p> <ol style="list-style-type: none"> <li>a. Obtained details of payment of various statutory dues to be paid by company.</li> <li>b. Evaluated the design and operating effectiveness of internal controls relating to compliance with statutory dues.</li> <li>c. Verified that whether company has been regular in payment of statutory dues.</li> </ol> <p><b><u>Conclusion</u></b><br/>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 for delays. The details of unpaid statutory dues are disclosed elsewhere in this report.</p> |

### Information other than the Financial Statements and Auditor’s Report thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures and Shareholder’s Information but does not include the 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 judgement 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 I 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 (including Other Comprehensive Income), 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 to the extent applicable.

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with 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, 2022.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 3.16 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 3.16 to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the

Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. No dividend have been declared or paid during the year 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 Accountant

Membership No. 207644

UDIN: 22207644ANTBQH4291

May 30, 2022

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 2022, 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 2022. I expressed an unmodified audit opinion on those financial statements vide. my report dated May 30, 2022.

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 2022, 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 2022 are a fair summary of those financial statements.

### **Material Uncertainty Related to Going Concern**

I draw your attention to Note 12 to the Abridged Financial Statements of the Company. The Company has incurred losses and generated negative cash flows during the year and also in the 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 also draw your attention to Note 20 to the Abridged 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.

**K.Nandhiswaran,F.C.A.,F.C.S.,**  
Chartered Accountant  
Membership No. 207644  
UDIN: 22207644ANTBQH4291

May 30, 2022  
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 to the members of SPEL SEMICONDUCTOR LIMITED on the financial statements as of and for the year ended March 31, 2022)

**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, 2022 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 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, 2022 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: 22207644ANTBQH4291

May 30, 2022

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 to the members of SPEL SEMICONDUCTOR LIMITED ("the Company") for the year ended March 31, 2022).**

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

- (b) The Company has a programme of verification to cover all the items of

Property, Plant and Equipment in a phased manner covering all assets once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed during the year on such verification.

(c) According to the information and explanations given to me and the records examined by me we report that title deeds of all freehold immovable property belonging to the Company are held in the name of the Company as at the end of the year.

(d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the company as at March 31,2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

i. (a) As explained to us, inventories have been physically verified at periodic intervals by the management. The coverage and procedure of such verification by the management were, in our opinion, appropriate .No discrepancy of 10% or more in the aggregate for each class of inventory were noticed on physical verification of stocks by the management as compared to book records.

(b) The Company has not been sanctioned during any point of time of the year, working capital limits in excess of five Crore Rupees, in aggregate, from banks or financial institutions on the basis of security of current assets

i. (a) The Company has not made investment in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties, during the year and hence the provisions of Clause 3 (iii)(a),(b), (c), (d), (e) and (f) are not applicable to the Company.

i. According to information and explanation given to me, the Company has not made investments in , granted any loans, secured or unsecured, furnished guarantees or provided security to any party covered by provisions of sections 185 and 186 of the Companies Act, 2013.Hence reporting on whether there is a compliance with the said provisions does not arise.

i. According to information and explanations given to me, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and there are no unclaimed deposits as at March 31,2022 to which the provisions of section 73 to 76 or any other relevant provisions of the Companies Act are applicable. Accordingly, the Clause 3 (v) of the Order is not applicable to the Company. . For this purpose, the funds brought in by the promoters / relatives of promoters as unsecured loans in pursuance of the

stipulation of a bank, are not considered as deposits.`

i. 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 is not applicable to the Company for the year under audit.

i. (a) According to the information and explanations given to me and the books of account examined by us, in respect of statutory dues:

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 Provident Fund , Employee State Insurance, Income Tax, Tax deducted at Source, Service Tax, Goods Service Tax (GST) and Professional Tax , with the appropriate authorities during the year and the arrears of such dues outstanding as at March 31, 2022 for a period of more than six months from the date they became payable are :

| <b>Nature of Dues</b>    | <b>Amount (Rs in lakhs)</b> |
|--------------------------|-----------------------------|
| Provident Fund           | 146.79                      |
| Employee State Insurance | 15.59                       |
| Income tax               | 15.66                       |
| Tax deducted at Source   | 39.62                       |
| Service tax              | 24.05                       |
| Goods and Service Tax    | 9.98                        |
| Professional Tax         | 30.46                       |

There are no dues of Sales Tax, Service Tax, Excise Duty, Customs duty , Value Added Tax, and Goods and Service 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, 2022 on account of disputes are as stated below:

| <b>Name of the statute</b> | <b>Disputed dues (Rs In lakhs)</b> | <b>Period to which the amount relates</b> | <b>Forum where dispute is pending</b>  |
|----------------------------|------------------------------------|---|--|
| Income Tax                 | 65.53                              | Assessment year 2000-01                   | Madras High Court  |
| Income Tax                 | 431.89                             | Assessment year 2012-13                   | Income Tax Appellate Tribunal has set aside the assessment and directed the Assessing Officer to reframe the |

|  |  |  |            |
|--|--|--|------------|
|  |  |  | assessment |
|--|--|--|------------|

i. As per the information and explanation given to us, there were no transactions previously not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

g. (a) In my opinion and according to information and explanation given to me, the Company has not defaulted in repayment of dues to any financial Institution or bank. The Company does not have any borrowings from Government or by way of Debentures.

(b) As per the information and explanation given to us, the company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) As per the information and explanation given to us, the monies raised by way of term loans have been applied for the purposes for which they were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint venture. The Company does not have subsidiaries or associates.

(f) The Company has not raised any loans during the year on the pledge of securities held in its joint venture company.

g. (a) As per the information and explanation given to me, the Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under the provisions of Clause 3(x)(a) of the Order does not arise.

(b) During the year, the Company has not made any preferential allotment or private placement of shares (covered by section 42 and section 62 (1)c of the Companies Act, 2013) or fully or partly convertible debentures and hence reporting under Clause 3(x)(b) of the Order is not applicable.

i. (a) No fraud by the Company and no material fraud on the company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As per the information and explanation given to me, there are no whistle-blower complaints received during the year by the company up to the date of this report.

i. The Company is not a Nidhi Company and accordingly the provisions of Clause 3(xii) of the Order is not applicable to the Company.

i. In my opinion and according to the information and explanations given to me all

transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable. The details of the transactions during the year have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards. (Refer note 48 to Standalone Financial Statements).

i. (a) In my opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) I have considered the internal audit reports for the year under audit, issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.

i. In my opinion, the Company has not entered into any non-cash transactions during the year, with its Directors or persons connected with its directors. and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

i. The Company is not required to be registered under section 45 - IA of the Reserve Bank of India Act, 1934 and it is not a Core Investment Company. Accordingly, the provisions of Clause 3(xvi) (a),(b),(c) and (d) of the Order is not applicable to the Company.

i. The Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year. The amount of cash loss incurred for the financial year is Rs 665.90 Lakhs and for the immediately preceding financial year is Rs 170.45 Lakhs.

i. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, the provisions of Clause 3(xviii) of the Order are not applicable to the Company.

⊘ Reference is made to the Material Uncertainty relating to Going Concern paragraph of the Independent Auditor's Report. The Company has incurred losses and generated negative cash flows during the year and also in the earlier years According to the information and explanations given to me and on the basis of (i) the financial ratios, (ii) ageing and expected dates of realization of financial assets and payment of financial liabilities, (iii) other information accompanying the financial statements, causes me to believe that a material uncertainty exists as on the date of the audit report indicating that the Company may not be capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. In order to continue, the Company is apparently dependent on the infusion 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.

⊘ The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR) are applicable to the Company Accordingly reporting under Clause

3(xx)(a) and (b) of the Order does not arise .

- i. The Company is not required to prepare consolidated financial statements and hence reporting under Clause 3 (xxi) is not applicable to the Company.

**K.Nandhiswaran**

**Chartered Accountant**

Membership No:207644

UDIN: 22207644ANTBQH4291

May 30, 2022

Chennai

- a) Reference is made to the Material Uncertainty relating to Going Concern paragraph of the Independent Auditor's Report. The Company has incurred losses and generated negative cash flows during the year and also in the earlier years According to the information and explanations given to me and on the basis of (i) the financial ratios, (ii) ageing and expected dates of realization of financial assets and payment of financial liabilities, (iii) other information accompanying the financial statements, causes me to believe that a material uncertainty exists as on the date of the audit report indicating that the Company may not be capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. In order to continue, the Company is apparently dependent on the infusion 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.

**Spel Semiconductor Limited****Abridged Statement of Changes in Equity for the year ended March 31, 2022****B OTHER EQUITY**

Securities Premium Reserve

**Retained Earnings**

Balance as at the beginning of the year

Add: Current period Profit / ( Loss )

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

Defferred tax

Balance as at the end of the year

**Total**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 specific purpose.

The accompanying notes form an integral part of the abridged financial statements.

| <i>(All amounts in ` Lakhs unless otherwise stated)</i> |                             |                             |
|---|-----------------------------|-----------------------------|
|   | <b>As at March 31, 2022</b> | <b>As at March 31, 2021</b> |
|   | 47.35                       | 47.35                       |
|   | 2,543.50                    | 3,242.58                    |
|   | (1,184.35)                  | (863.50)                    |
|   | (32.82)                     | 163.76                      |
|   | 0.89                        | 0.66                        |
|   | <b>1,327.22</b>             | <b>2,543.50</b>             |
|   | <b>1,374.57</b>             | <b>2,590.85</b>             |

As Per our report of even date

**K Nandhiswaran**

Chartered Accountant

Membership Number: 207644

UDIN: 22207644ANTBQH4291

Date: Aug 30,2022

Place: Chennai

For and on behalf of the B

**K. Ravikumar**

Director

DIN : 00119753

**Dr Enakshi****Bhattacharya**

Director

DIN : 05277571

**N.Suryanarayanan**

Director

DIN : 02282919

**D. Balakrishnan**

Director &amp; CEO

DIN : 02131242

**Spel Semiconductor Limited****Notes to Abridged Financial Statements for the year ended 31st March ,2022***stated)**(All amounts in ` Lakhs unless otherwise***1.Basic Of Preparation**a) The Abridged Financial statements have been prepared on  
the basis of the complete set of financial statements for the  
year ended March 31, 2022,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 1.13 of the Financial Statements)

a) Deferred tax liabilities

| <b>As at March 31,<br/>2022</b> | <b>As at March 31,<br/>2022</b> |
|---------------------------------|---------------------------------|
|---------------------------------|---------------------------------|

|          |          |
|----------|----------|
| 2,670.80 | 2,308.95 |
|----------|----------|

b) Deferred tax (assets)

|          |          |
|----------|----------|
| (497.91) | (164.10) |
|----------|----------|

|          |          |
|----------|----------|
| 2,172.89 | 2,144.85 |
|----------|----------|

## **3.CURRENT FINANCIAL ASSETS - CASH AND BANK BALANCES**

( Note 1.6 of the Financial Statements)

a. Cash and Cash Equivalentents

| <b>As at March 31,<br/>2022</b> | <b>As at March 31,<br/>2022</b> |
|---------------------------------|---------------------------------|
|---------------------------------|---------------------------------|

i) Balances with banks in current account

|      |      |
|------|------|
| 0.28 | 0.26 |
|------|------|

ii) Cash on hand

|      |      |
|------|------|
| 0.44 | 0.89 |
|------|------|

|             |             |
|-------------|-------------|
| <b>0.72</b> | <b>1.15</b> |
|-------------|-------------|

**Spel Semiconductor Limited****Notes to Abridged Ind AS Financial Statements for the year ended 31st March ,2022***(All amounts in ` Lakhs unless otherwise stated)***4. REVENUE FROM OPERATION**

( Note 2.1 of the Financial Statements)

|                            | <b>Year Ended<br/>March 31,<br/>2022</b> | <b>Year Ended<br/>March 31,<br/>2021</b> |
|----------------------------|--|--|
| a) Sale of products        |  |  |
| Export sales               | 1,543.95                                 | 1,586.31                                 |
| b) Revenue from services   | 1.55                                     | 5.80                                     |
| c) Other operating revenue | 19.08                                    | -  |
|                            | <b>1,564.58</b>                          | <b>1,592.11</b>                          |

**5. EXCEPTIONAL ITEMS**

( Note 2.9 of the Financial Statements)

|   | <b>Year Ended<br/>March 31,<br/>2022</b> | <b>Year Ended<br/>March 31,<br/>2021</b> |
|---|--|--|
| a) Termination compensation for Employees | 567.00                                   |  |
| b) Unbilled revenue written off           | -  | 1,927.63                                 |
| c) Credit balances written back           |  | (1,647.55)                               |
|   | <b>567.00</b>                            | <b>280.08</b>                            |

**6. Contingent Liabilities**

( Note 3.8 to the Financial Statements)

|  | <b>As at<br/>March 31,2022</b> | <b>As at<br/>March 31,2021</b> |
|--|--------------------------------|--------------------------------|
| a) Claims against the Company not acknowledged as debts (net)<br>- Income tax matters under appeal | 497.42                         | 456.27                         |
|  | <b>As at<br/>March 31,2022</b> | <b>As at<br/>March 31,2021</b> |

**7. Commitments**

( Note 3.9 to the Financial Statements.)

|     |     |
|-----|-----|
| Nil | Nil |
|-----|-----|



|   |      |      |
|---|------|------|
| Mr.V.Srinivasan, Chief Financial Officer    |      |      |
| (i) Remuneration*                           | -    | -    |
| (ii) Payable                                | -    | -    |
| Mr.V.Ravichandran , Chief Financial Officer |      |      |
| (i) Remuneration*                           | -    | -    |
| (ii) Payable                                | -    | -    |
| Mr.G.Venkatesan , Chief Financial Officer   |      |      |
| (i) Remuneration*                           | 4.17 | 5.60 |
| (ii) Payable                                | 0.13 | 1.23 |
| Mr S Sivaraman , Company Secretary          |      |      |
| (i) Remuneration*                           | 6.57 | -    |
| (ii) Payable                                | -    | -    |

\*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 3.11 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:

| <b>Particulars</b>   | <b>2021-22</b> | <b>2020-21</b> |
|--|----------------|----------------|
| The Principal amount (2021-22 : Rs 2.30 2020-2021 : Rs 2.30) ; and the interest due (2021-22: Rs 8.06, 2020-21: Rs 7.33) there on remain unpaid to suppliers at the end of each accounting year.   | 10.36          | 9.63           |
| 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.<br><br>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.  | 0.73           | 0.29           |
| 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.   | 8.06           | 7.33           |

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

11. Exception items consists of the following :

- a) Termination compensation paid to employees aggregating to Rs.567.00 lacs ( 2020-21 Rs. Nil ).
- b) Unbilled Revenue aggregating to Rs. Nil lakhs ( (2020-21: Rs.1927.63 lakhs) considered no longer receivable based on assessment of recoverability of the balances by the management have been written off in the books of accounts

b) Credit Balances amounting to Rs.Nil lakhs (2020-21 : Rs.1647.55 lakhs) considered no longer payable / required based on review by the Management have been written back in the books of account.

The above mentioned amounts written off and written back in the books of of account in the previous year were approved by a resolution passed by the Board of Directors.

(Note 3.14 to The Financial Statements)

12.The Company is engaged in-house technology upgradation in the process, thereby strengthening the efforts to bring in new products and improving capacity utilisation.The Company'brand image and capabilities are well acknowledged by customers who have astrong role in improving top line and would generate commensurate cash accruals in the ensuing years. All the above efoorts are supported strong role in improving its top line and would generate commensurate cash accruals in the ensuing years. All the above efforts are supported by the promoters whih have infused funds to improve liquidity to settle obligations as and when they fall due

( Note 3.15 to the Financial Statements).

13. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity (ies) including foreign entities ( " intermediaries") with the understanding whether recorded in writing or otherwise that the intermediary shall lend or invest in party identified, that the intermediary shall lend or invest in party identified by or on behalf of the company ( Ultimate Beneficiaries ). The comany has not received any fund from any party (s) (Funding party) with the understanding that the company shall whether directly or indirectly lend or invest in iehr persons or entities identified by or on behalf of the company ( Ultimate Beneficialries) or provide any guarantee , security or like on behalf of ultimate beneficiaries.

( Note 3.16 to the Financial Statements).

14. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

( Note 3.17 to the Financial Statements).

15. The Company has not accepted any deposit or amounts which are deemed to be deposits.  
( Note 3.18 to the Financial Statements).

16. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). ( Note 3.19 to the Financial Statements).

17. The Company did not had any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, ( Note 3.20 to the Financial Statements)

18. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year ( Note 3.21 to the Financial Statements).

19. The company has complied with the number of layers prescribed under the Companies Act,2013 read with Companies (Restriction on number of Layers) Rules,2017.  
( Note 3.22 to the Financial Statements).

20. The Company has taken into account all the possible impacts of COVID 19 pandemic in preparation of these financial statements, including but not limited to its assessments of liquidity and going concern assumption , recoverable values of its financial and non financial assets, impact on revenue recognition. etc.The company has carried out this review and assessment based on available internal and external sources of information up to the date of these financial statements . The actual impact of COVID -19 pandemic on the financial results may deffer from the estimated by the company as on the date of approval of these financial statements owing to the nature and duration of the pandemic  
(Note 3.23 to the Financial Statements)

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

|                                |                                |                         |                         |
|--------------------------------|--------------------------------|-------------------------|-------------------------|
|                                | For and on behalf of the Board |                         |                         |
|                                |                                |                         | <b>S</b>                |
| As Per our report of even date | <b>K. Ravikumar</b>            | <b>N.Suryanarayanan</b> | <b>Chandramohan</b>     |
| <b>K Nandhiswaran</b>          | Director                       | Director                | Director                |
| Chartered Accountant           | DIN :                          | DIN : 02282919          | DIN : 00052571          |
| Membership Number: 207644      | 00119753                       |                         |                         |
| UDIN: 22207644ANTBQH4291       |                                |                         |                         |
|                                | <b>Dr Enakshi</b>              | <b>D. Balakrishnan</b>  | <b>G.Venkatesan</b>     |
|                                | <b>Bhattacharya</b>            | Director & CEO          | Chief Financial Officer |
| Date: May 30,2022              | Director                       |                         |                         |
|                                | DIN :                          | DIN : 02131242          |                         |
| Place: Chennai                 | 05277571                       |                         |                         |

Annexure I

SPEL Semiconductor Limited  
 Regd Office: 5, CMDA, Industrial Estate, Maraimalainagar, Chennai-603209  
 CIN:L3220LTN1984PLC011434- Regd Mail.Id: info@spel.com- Website: www.spel.com

Statement Of Assets And Liabilities

(All amounts in Lakhs)

| Particulars   | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| <b>ASSETS</b>   |                      |                      |
| <b>Non-current assets</b>   |                      |                      |
| Property, plant and equipment   | 11,202.80            | 11,291.32            |
| Intangible assets   | -                    | 0.16                 |
| <b>Financial Assets</b>   |                      |                      |
| Others  | 47.70                | 63.55                |
| Tax assets (net)  | 46.56                | 31.64                |
|   | 11,297.06            | 11,386.67            |
| <b>Current assets</b>   |                      |                      |
| Inventories   | 1,189.39             | 1,059.35             |
| <b>Financial Assets</b>   |                      |                      |
| (i) Trade Receivables   | 4,862.14             | 4,040.39             |
| (ii) Cash and cash equivalents  | 0.72                 | 1.15                 |
| (iii) Others  | 164.93               | 41.12                |
| Other current assets  | 187.54               | 114.63               |
|   | 6,404.72             | 5,256.63             |
| <b>TOTAL ASSETS</b>   | <b>17,701.78</b>     | <b>16,643.30</b>     |
| <b>EQUITY AND LIABILITIES</b>   |                      |                      |
| <b>Equity</b>   |                      |                      |
| Equity Share capital  | 4,613.25             | 4,613.25             |
| Other Equity  | 1,440.20             | 2,590.85             |
|   | 6,053.45             | 7,204.10             |
| <b>Liabilities</b>  |                      |                      |
| <b>Non-current liabilities</b>  |                      |                      |
| <b>Financial liabilities</b>  |                      |                      |
| (i) Borrowings  | 2,557.62             | 1,917.57             |
| (ii) Other financial liabilities  | 124.18               | 116.78               |
| Provisions  | 262.57               | 298.80               |
| Deferred tax liabilities (net)  | 2,172.89             | 2,144.85             |
| Other non current liabilities   | 99.36                | 106.74               |
|   | 5,216.62             | 4,584.74             |
| <b>Current liabilities</b>  |                      |                      |
| <b>Financial liabilities</b>  |                      |                      |
| (i) Borrowings  | 577.61               | 1,075.04             |
| (ii) Trade payables   |                      |                      |
| a) Total outstanding dues of micro enterprises and small enterprises                      | 2.30                 | 2.30                 |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,048.40             | 918.64               |
| (iii) Other financial liabilities   | 1,556.80             | 1,489.13             |
| Other current liabilities   | 3,237.34             | 1,322.95             |
| Provisions  | 9.27                 | 46.40                |
|   | 6,431.71             | 4,854.46             |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>17,701.78</b>     | <b>16,643.30</b>     |

*K. Nandhi*  
 K. Nandhi  
 Chartered Accountant  
 M.No 207644



K. NANTHIGANARAJAN  
 B.Com, FCA, FCS, ACIS (UK), CMA, CISA, CISEP, CFE,  
 Chartered Accountant  
 50A, First Cross Street,  
 Jawahar Nagar, Chennai - 600 085, T-33a, 98764

For and on behalf of the Board



*D. Balakrishnan*  
 D. Balakrishnan  
 Director & CEO

Date: May 30, 2022  
 Place: Chennai



SPEL Semiconductor Limited  
 Regd. Office: 5 CMDA, Industrial Estate, Maraimalai nagar (Chennai) 603 209  
 CIN:L3220LTN1984PLC011434 eMail ID: info@spel.com Website: www.spel.com  
 STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2022.

| Sno | Particulars   | Quarter Ended   |                 |                 | Year Ended        |                 |
|-----|---|-----------------|-----------------|-----------------|-------------------|-----------------|
|     |   | 31.03.2022      | 31.12.2021      | 31.03.2021      | 31.03.2022        | 31.03.2021      |
|     |   | Refer No 3      | Unaudited       | Refer No 3      | Audited           | Audited         |
|     |   |                 |                 |                 |                   | (Rs. in Lakhs)  |
|     | <b>Income</b>   |                 |                 |                 |                   |                 |
| 1   | Revenue from Operations   | 873.87          | 321.49          | 231.66          | 1,564.58          | 1,592.11        |
| 2   | Other Income  | 45.72           | 19.81           | 421.70          | 135.73            | 545.23          |
| 3   | <b>Total Income (1+2)</b>   | <b>919.59</b>   | <b>341.30</b>   | <b>653.36</b>   | <b>1,700.31</b>   | <b>2,137.34</b> |
|     | <b>Expenses</b>   |                 |                 |                 |                   |                 |
|     | a. Cost of Materials Consumed   | 265.14          | 87.32           | 70.65           | 458.79            | 482.86          |
|     | b. Changes in inventories of finished goods and work in progress                  | 13.29           | (85.30)         | 25.54           | (91.82)           | 12.53           |
|     | c. Employee Benefits Expense  | 200.46          | 173.47          | 184.54          | 704.34            | 708.46          |
|     | d. Finance Cost   | 21.03           | 21.26           | 26.87           | 86.41             | 116.45          |
|     | e. Depreciation and Amortisation Expense  | 123.56          | 125.43          | 107.73          | 469.23            | 430.44          |
|     | f. Power & Fuel   | 78.37           | 72.08           | 44.95           | 277.93            | 218.73          |
|     | g. Other expenses   | 121.71          | 108.15          | 472.75          | 383.85            | 732.12          |
|     | <b>Total expenses</b>   | <b>823.56</b>   | <b>502.41</b>   | <b>933.03</b>   | <b>2,288.73</b>   | <b>2,701.59</b> |
| 5   | <b>Profit/ (Loss) from ordinary activities before Exceptional items (3-4)</b>     | <b>96.03</b>    | <b>(161.11)</b> | <b>(279.67)</b> | <b>(588.42)</b>   | <b>(564.25)</b> |
| 6   | Exceptional Items   | 567.00          | -               | 280.08          | 567.00            | 280.08          |
| 7   | <b>Profit/ (Loss) from ordinary activities (5-6)</b>                              | <b>(470.97)</b> | <b>(161.11)</b> | <b>(559.75)</b> | <b>(1,155.42)</b> | <b>(844.33)</b> |
| 8   | Tax Expense   |                 |                 |                 |                   |                 |
|     | a) Current tax  | -               | -               | -               | -                 | -               |
|     | b) Deferred tax   | 74.40           | (58.00)         | 54.05           | 28.93             | 19.17           |
|     | <b>Total Tax expense (a+b)</b>  | <b>74.40</b>    | <b>(58.00)</b>  | <b>54.05</b>    | <b>28.93</b>      | <b>19.17</b>    |
| 9   | Profit/ (Loss) for the year (7-8)   | <b>(545.37)</b> | <b>(103.11)</b> | <b>(613.80)</b> | <b>(1,184.35)</b> | <b>(863.50)</b> |
| 10  | Other comprehensive (Loss) / Income   |                 |                 |                 |                   |                 |
|     | A (i) Items that will not be reclassified to profit or loss                       | (155.64)        | 40.94           | 132.27          | (32.82)           | 163.76          |
|     | (ii) Income tax relating to items that will not be reclassified to profit or loss | -               | -               | -               | -                 | -               |
|     | B (i) Items that will be reclassified to profit or loss                           | -               | -               | -               | -                 | -               |
|     | (ii) Income tax relating to items that will be reclassified to profit or loss     | -               | -               | -               | -                 | -               |
|     | Other Comprehensive Income (10A + 10B)  | <b>(155.64)</b> | <b>40.94</b>    | <b>132.27</b>   | <b>(32.82)</b>    | <b>163.76</b>   |
| 11  | <b>Total comprehensive income for the period (9+10)</b>                           | <b>(701.01)</b> | <b>(62.17)</b>  | <b>(481.53)</b> | <b>(1,217.17)</b> | <b>(699.74)</b> |
| 12  | Paid-up Equity Share Capital<br>(Face value of Rs 10/- Per Share)                 | 4,613.25        | 4,613.25        | 4,613.25        | 4,613.25          | 4,613.25        |
| 13  | Other Equity as per balance sheet of previous accounting year                     | -               | -               | -               | 1,440.20          | 2,590.85        |
| 14  | Earnings Per Share (EPS) of Rs 10/- each (Not annualised)                         |                 |                 |                 |                   |                 |
|     | a) Basic  | (1.18)          | (0.22)          | (1.33)          | (2.57)            | (1.87)          |
|     | b) Diluted  | (1.18)          | (0.22)          | (1.33)          | (2.57)            | (1.87)          |

**Notes**

1. The above results were reviewed by the Audit Committee and then approved by the Board of Directors at their Meetings held on May 30, 2022. The information for the year ended March 31, 2022 and March 31, 2021 presented above is extracted from the audited financial statements for the year ended Mar 31, 2022 and Mar 31, 2021. These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013.

2. The Board of Directors of the Company, being the Chief Operating Decision Maker ('CODM'), based on the internal business reporting system, identified that the Company has only one segment viz. manufacture and sale of Integrated Circuits. Accordingly there are no other reportable segments in terms of Ind AS 108 'Operating Segments'.

3. The figures for the quarter ended March 31, 2022 and March 31, 2021 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the nine months ended December 31, 2021 and December 31, 2020 respectively, which were subject to limited review by the statutory auditor.

4. Exceptional Items consists of:

| Particulars                                 | Quarter Ended |            |               | Year Ended    |               |
|---|---------------|------------|---------------|---------------|---------------|
|   | 31.03.2022    | 31.12.2021 | 31.03.2021    | 31.03.2022    | 31.03.2021    |
| a. Termination Compensation for Employees   | 567.00        | -          | -             | 567.00        | -             |
| b. Credit balances written back             | -             | -          | (1,647.55)    | -             | (1,647.55)    |
| c. Provision for Old inventory written back | -             | -          | -             | -             | -             |
| d. Unbilled revenue written off             | -             | -          | 1,927.63      | -             | 1,927.63      |
| <b>Total</b>                                | <b>567.00</b> | <b>-</b>   | <b>280.08</b> | <b>567.00</b> | <b>280.08</b> |

5. 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 concluding on accounting judgements and estimates and while assessing the recoverability of Company's assets, the Company has considered internal and external information approval of these financial results and expects to recover the carrying amount of the assets. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation is evolving in India globally. The Company continues to monitor the economic effects of the pandemic on the operations and take appropriate actions as and when required.

6. The issue of negative cash flows and incurrence of operating losses over the years highlighted by the Auditor are being addressed by restructuring of operations and infusion of necessary funds by the promoters.

7. The Statement of Assets and Liabilities as at March 31, 2022 and the Cash Flow for the year ended March 31, 2022 are provided as Annexure - 1 and Annexure - 2 respectively to the statement.

8. The previous period figures have been regrouped / reclassified wherever necessary to conform to current period.

Place : Chennai  
Date : May 30, 2022

*K. Nandhikumar*  
K. Nandhikumar  
Chartered Accountant  
M No. 2019646



K. NANDHIKUMAR  
FICAI, PCA, FCS, ACCREDITED (MCA 2019646)  
Chartered Accountant  
M No. 2019646  
JOURNAL: REGISTERED - 807 - 2019 - 2022

For and on behalf of the Board of Directors

*D. Balakrishnan*  
D. Balakrishnan  
Director & CEO



## Annexure 2

**SPEL Semiconductor Limited**  
 Regd. Office: 5 CMDA, Industrial Estate, Maraimalai nagar (Chennai) 603 209  
 CIN:L3220LTN1984PLC011434 eMail ID: info@spel.com Website: www.spel.com

## STATEMENT OF CASH FLOWS (Refer Note 7)

(All amounts in Lakhs)

| PARTICULARS   | March 31, 2022    | March 31, 2021  |
|---|-------------------|-----------------|
| <b>Cash flow from operating activities</b>                                      |                   |                 |
| Profit / (Loss) for the year  | (1,184.35)        | (863.50)        |
| Adjustments for :   |                   |                 |
| Income tax expense  | 28.93             | 19.17           |
| Depreciation, amortisation and impairment expense                               | 469.23            | 430.44          |
| Bad and doubtful debts / advances provided / unbilled revenue written-off (Net) | 0.09              | 2,319.04        |
| Foreign exchange (gains) / losses   | 0.18              | (36.63)         |
| Credit balances written back  | -                 | (2,038.97)      |
| Finance cost  | 86.41             | 116.45          |
| Interest Income   | (12.29)           | (6.47)          |
| Rent income   | (123.27)          | (121.82)        |
| <b>Operating Loss before working capital changes</b>                            | <b>(735.07)</b>   | <b>(182.29)</b> |
| Adjustments for changes in :  |                   |                 |
| Trade receivables   | (822.02)          | (1,197.26)      |
| Inventories   | (130.04)          | 0.65            |
| Other current and non current financial assets                                  | (107.92)          | 16.84           |
| Other current and non current assets  | (72.92)           | 361.61          |
| Trade payables  | 129.75            | (839.02)        |
| Other non current and current financial liabilities                             | 55.04             | 320.09          |
| Other non current and current liabilities                                       | (472.21)          | 1,431.95        |
| Non current and other current Provisions  | (40.53)           | (142.35)        |
| <b>Cash used in operations</b>  | <b>(2,195.92)</b> | <b>(229.78)</b> |
| Income tax paid (net)   | (15.28)           | (8.18)          |
| <b>Net cash used in operating activities [A]</b>                                | <b>(2,211.20)</b> | <b>(237.96)</b> |
| <b>Cash flow from investing activities</b>                                      |                   |                 |
| Purchase of property, plant and equipment                                       | (381.00)          | (9.90)          |
| Advance for sale of capital asset   | 2,380.00          | -               |
| Movement in other bank balances   | -                 | 2.69            |
| Interest Received   | 12.29             | 6.47            |
| Rent Received   | 123.27            | 121.82          |
| <b>Net cash from investing activities [B]</b>                                   | <b>2,134.56</b>   | <b>121.08</b>   |
| <b>Cash flow from financing activities</b>                                      |                   |                 |
| Proceeds from non-current borrowings  | 640.05            | 170.00          |
| Proceeds from current borrowings (Net)  | -                 | 62.13           |
| Repayment of current borrowings (Net)   | (497.43)          | -               |
| Interest paid   | (66.39)           | (116.45)        |
| <b>Net cash from financing activities [C]</b>                                   | <b>76.23</b>      | <b>115.68</b>   |
| <b>Net (decrease) / Increase in cash &amp; Cash equivalents [A+B+C]</b>         | <b>(0.41)</b>     | <b>(1.20)</b>   |
| <b>Opening cash and cash equivalents</b>  | <b>1.15</b>       | <b>2.35</b>     |
| Exchange difference relating to foreign currency cash on hand                   | (0.02)            | -               |
| <b>Closing cash and cash equivalents</b>  | <b>0.72</b>       | <b>1.15</b>     |

Date: May 30, 2022  
Place: Chennai



*K. Nandhikumar*  
 K. Nandhikumar  
 Chartered Accountant  
 No. 207 / 6th Fl.

*D. Balakrishnan*  
 D. BALAKRISHNAN  
 Director & CEO  
 SPEL Semiconductor Limited  
 5, CMDA, Industrial Estate, Maraimalai Nagar, Chennai - 603 209

For and on behalf of the Board

*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 1,2021   | As at March 31, 2022                           | As at March 31, 2021 |
|    | 46132528 @ 10  | 4613.2528                                      | 4613.2528            |
|    |  | 4613.2528                                      | 4613.2528            |
|    |  |  |                      |
|    |  | As at March 31, 2022                           | As at March 31, 2021 |
| B  | Other Equity   | Rs.  | Rs.                  |
|    | Securities Premium Reserve   | 47.35  | 47.35                |
|    |  | 47.35  | 47.35                |
|    | Retained Earnings  |  |                      |
|    | Balance as at the beginning of the year  | 2,543.50                                       | 3,242.58             |
|    | Add : Current year (Loss) / Profit   | - 1,184.35                                     | - 863.50             |
|    | Other Comprehensive Income arising from remeasurement of defined benefit obligation (net of tax) | - 32.82  | 163.76               |
|    | Deferred tax   | 0.89   | 0.66                 |
|    | Balance as at the end of the year  | 1327.22  | 2543.50              |
|    | <b>Total</b>   | <b>1,374.57</b>                                | <b>2,590.85</b>      |

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

M. Jayasankar  
Director  
DIN : 00048351

D. Balakrishnan  
Director & CEO  
DIN : 02131242

I. Enakshi Bhattacharya  
Director  
DIN : 05277571

S Chandramohan  
Director  
DIN : 00052571

Date: May 30,2022  
Place: Chennai

G.Venkatesan  
Chief Financial Officer

**SPEL Semiconductor Limited**

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

| 1.1 Property, Plant & Equipment                       |                |           |             |                  |                           |                             |                                      |                  |                     |
|---|----------------|-----------|-------------|------------------|---------------------------|-----------------------------|--------------------------------------|------------------|---------------------|
| <i>(All amounts in Lakhs unless otherwise stated)</i> |                |           |             |                  |                           |                             |                                      |                  |                     |
| 2021-22   |                |           |             |                  |                           |                             |                                      |                  |                     |
| Gross Carrying Amount                                 |                |           |             |                  | Depreciation/Amortization |                             |                                      |                  | Net Carrying Amount |
| Description   | As at 1.4.2021 | Additions | (Deletions) | As at 31.03.2022 | As at 1.4.2021            | Depreciation for the period | Deletions\ adjustment for the period | As at 31.03.2022 | As at 31.03.2022    |
| Land - Freehold land                                  | 9907.13        | -         | -           | 9907.13          | 9907.13                   | 0                           | 0                                    | 0.00             | 9907.13             |
| Buildings   | 280.95         | -         | -           | 280.95           | 256.02                    | 3.22                        | 0                                    | 259.23           | 21.72               |
| Plant and Equipment                                   | 3804.70        | 377.87    | 6.85        | 4175.72          | 2446.56                   | 464.93                      | 6.85                                 | 2904.64          | 1271.09             |
| Furniture and Fixtures                                | 11.85          | -         | 0.63        | 11.22            | 11.81                     | 0.03                        | 0.63                                 | 11.21            | 0.01                |
| Computers   | 2.93           | 2.77      | 0.11        | 5.59             | 2.45                      | 0.80                        | 0.11                                 | 3.13             | 2.46                |
| Office equipment                                      | 2.01           | 0.36      | 0.03        | 2.34             | 1.87                      | 0.10                        | 0.03                                 | 1.95             | 0.39                |
| Total   | 14009.58       | 381.00    | 7.63        | 14382.96         | 12625.84                  | 469.07                      | 7.63                                 | 3180.16          | 11202.80            |
| Description   | As at 1.4.2021 | Additions | (Deletions) | As at 31.03.2022 | As at 01.04.2021          | Depreciation for the period | Disposal\ adjustment for the period  | As at 31.03.2022 | As at 31.03.2022    |
| Computer Software- acquired                           | 2.17           | -         | -           | 2.17             | 2.01                      | 0.16                        | 0                                    | 2.17             | 0.00                |
| Others Trade Name                                     |                |           |             |                  |                           |                             |                                      |                  |                     |
| Total   | 2.17           | -         | -           | 2.17             | 2.01                      | 0.16                        | 0                                    | 2.17             | 0.00                |

| 2020-21                     |                |           |             |                  |                           |                             |                                     |                  |                     |
|-----------------------------|----------------|-----------|-------------|------------------|---------------------------|-----------------------------|-------------------------------------|------------------|---------------------|
| Gross Carrying Amount       |                |           |             |                  | Depreciation/Amortization |                             |                                     |                  | Net Carrying Amount |
| Description                 | As at 1.4.2020 | Additions | (Deletions) | As at 31.03.2021 | As at 1.4.2020            | Depreciation for the period | Disposal\ adjustment for the period | As at 31.03.2021 | As at 31.03.2021    |
| Land - Freehold land        | 9907.13        | -         | -           | 9907.13          | 9907.13                   | 0                           | 0                                   | 9907.13          | 9907.13             |
| Buildings                   | 280.95         | -         | -           | 280.95           | 252.56                    | 3.22                        | 0                                   | 255.78           | 25.18               |
| Plant and Equipment         | 3795.38        | 9.32      | -           | 3804.70          | 2020.36                   | 426.19                      | 0                                   | 2446.55          | 1358.15             |
| Furniture and Fixtures      | 11.85          | -         | -           | 11.85            | 11.69                     | 0.12                        | 0                                   | 11.81            | 0.04                |
| Computers                   | 2.36           | 0.58      | -           | 2.93             | 2.26                      | 0.18                        | 0                                   | 2.44             | 0.49                |
| Office equipment            | 2.01           | -         | -           | 2.01             | 1.41                      | 0.28                        | 0                                   | 1.69             | 0.32                |
| Total                       | 13999.69       | -         | -           | 14009.58         | 12195.41                  | 429.98                      | 0                                   | 12625.40         | 11291.32            |
| Description                 | As at 1.4.2020 | Additions | (Deletions) | As at 31.03.2021 | As at 01.04.2020          | Depreciation for the period | Disposal\ adjustment for the period | As at 31.03.2021 | As at 31.03.2021    |
| Computer Software- acquired | 2.17           | -         | -           | 2.17             | 1.55                      | 0.46                        |                                     | 2.01             | 0.16                |
| Others Trade Name           |                |           |             |                  |                           |                             |                                     |                  |                     |
| Total                       | 2.17           | -         | -           | 2.17             | 1.55                      | 0.46                        | 0                                   | 2.01             | 0.16                |

**SPEL Semiconductor Limited**

| <b>SPEL Semiconductor Limited</b>   |  |                        |                      |
|---|--|------------------------|----------------------|
|   |  |                        |                      |
| <b>Notes annexed to and forming part of the Ind AS Financial Statements</b> |  |                        |                      |
|   |  | (All amounts in Lakhs) |                      |
|   |  | As at March 31, 2022   | As at March 31, 2021 |
| 1.2   | <b>NON-CURRENT Financial Assets - Others</b> |                        |                      |
|   | (Unsecured, considered good)                 |                        |                      |
|   | Security Deposits                            | 47.70                  | 63.55                |
|   | b) Other receivables *                       |                        |                      |
|   |  | <b>47.70</b>           | <b>63.55</b>         |

Note : These are carried at amortized cost.

**SPEL Semiconductor Limited**

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

|            |   | (All amounts in Lakhs) |                      |
|------------|---|------------------------|----------------------|
|            |   | As at March 31, 2022   | As at March 31, 2021 |
| <b>1.3</b> | <b>Non - Current - Advance Tax Assets (NET)</b> |                        |                      |
|            | Advance income tax (net of provision)           | 46.56                  | 31.64                |
|            |   | 46.56                  | 31.64                |

**SPEL Semiconductor Limited**

| <b>Notes annexed to and forming part of the Ind AS Financial Statements</b> |   | (All amounts in Lakhs) |                      |
|---|---|------------------------|----------------------|
|   |   | As at March 31, 2022   | As at March 31, 2021 |
| 1.4   | <b>Inventories</b>                      |                        |                      |
|   | (a) Raw materials and components        | 256.04                 | 257.44               |
|   | (b) Work-in-progress                    | 756.25                 | 664.43               |
|   | (c) Finished goods                      | -                      | -                    |
|   | (d) Stores, spares and consumable tools | 177.09                 | 137.48               |
|   |   | <b>1189.39</b>         | <b>1059.35</b>       |

**SPEL Semiconductor Limited**

| Notes annexed to and forming part of the Ind AS Financial Statements |   |                      |                        |
|--|---|----------------------|------------------------|
|  |   |                      | (All amounts in Lakhs) |
|  |   | As at March 31, 2022 | As at March 31, 2021   |
| 1.5  | <b>Current Financial Assets - Trade Receivables</b> |                      |                        |
|  | Trade receivables - unsecured                       |                      |                        |
|  | Considered good                                     | 4,862.14             | 4,040.39               |
|  | Considered doubtful                                 | -                    | -                      |
|  |   | 4,862.14             | 4,040.39               |
|  | Less: Allowance for credit loss                     | -                    | -                      |
|  |   | <b>4,862.14</b>      | <b>4,040.39</b>        |

Note:-

1. These are carried at amortised cost

2. Movement in loss allowance is as follows.

|                |   |        |
|----------------|---|--------|
| Opening        | - | 151.22 |
| Add: Addition  | - | -      |
| Less: Reversal | - | 151.22 |
| Closing        | - | -      |



**SPEL Semiconductor Limited**

| <b>Notes annexed to and forming part of the Ind AS Financial Statements</b> |  |  |                      |
|---|--|--|----------------------|
|   |  | (All amounts in Lakhs unless otherwise stated) |                      |
|   |  | As at March 31, 2022                           | As at March 31, 2021 |
| 1.6   | <b>Current Financial Assets - Cash &amp; Bank Balances</b> |  |                      |
|   | <b>Cash and Cash Equivalents</b>                           |  |                      |
|   | a) Balances with banks in current account                  | 0.28   | 0.26                 |
|   | b) Cash on hand  | 0.44   | 0.89                 |
|   |  | <b>0.72</b>                                    | <b>1.15</b>          |

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

**SPEL Semiconductor Limited**

| <b>Notes annexed to and forming part of the Ind AS Financial Statements</b> |   |                      |                        |
|---|---|----------------------|------------------------|
|   |   |                      | (All amounts in Lakhs) |
|   |   | As at March 31, 2022 | As at March 31, 2021   |
| <b>1.7</b>  | <b>Current Financial Assets - Others</b>      |                      |                        |
|   | <b>(Unsecured, considered good )</b>          |                      |                        |
|   |   |                      |                        |
|   | a) Employee advances                          | 0.33                 | 0.67                   |
|   | b) Receivable on sale of immovable properties | 23.40                | 8.32                   |
|   | c) Rent receivable                            | 20.21                | 32.13                  |
|   | d) Others                                     | 120.95               | -                      |
|   |   |                      |                        |
|   |   | <b>164.89</b>        | <b>41.12</b>           |

Note: These are carried at amortised cost

## SPEL Semiconductor Limited

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

(All amounts in Lakhs)

|   | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| <b>1.8 Other Current Assets</b>         |                      |                      |
| <b>(Unsecured Considered good)</b>      |                      |                      |
| <b>Unsecured Loans and Advances</b>     |                      |                      |
| a) Supplier advances                    | 107.80               | 62.95                |
| b) Balances with government authorities |                      |                      |
| - GST Credit (Input Tax Cedit)          | 34.15                | 16.18                |
| - Service Tax                           | 24.05                | 24.05                |
| - GST ( Liability)                      | 59.02                | 59.02                |
|   | 69.13                | 51.15                |
| c) Others                               | 10.61                | 0.52                 |
|   | <b>187.54</b>        | <b>114.62</b>        |

**SPEL Semiconductor Limited**

| Notes annexed to and forming part of the Ind AS Financial Statements   |              |                        |                      |
|--|--------------|------------------------|----------------------|
|  |              | (All amounts in Lakhs) |                      |
|  |              | As at March 31, 2022   | As at March 31, 2021 |
| <b>1.9 EQUITY SHARE CAPITAL</b>  |              |                        |                      |
| <b>Authorised</b>  |              |                        |                      |
| 6,00,00,000 ( March31,2017 and April 1, 2016: 6,00,00,000)<br>equity shares of ₹ 10/- each with voting rights  | 6,000        | 6,000                  |                      |
|  | <b>6,000</b> | <b>6,000</b>           |                      |
| <b>Issued</b>  |              |                        |                      |
| 4,61,47,613 ( March31,2017 and April 1, 2016: 4,61,47,613)<br>equity shares of ₹ 10/- each with voting rights  | 4614.76      | 4614.76                |                      |
|  | 4614.76      | 4614.76                |                      |
| <b>Subscribed and fully paid up</b>  |              |                        |                      |
| 4,61,47,613 ( March31,2017 and April 1, 2016 : 4,61,47,613)<br>equity shares of ₹ 10/- each with voting rights | 4614.76      | 4614.76                |                      |
| Less: Forfeited shares 30,170 ( March31,2017 and April 1, 2016<br>: 30,170) equity shares of Rs.5/- each       | 1.51         | 1.51                   |                      |
|  | 4613.25      | 4613.25                |                      |

Notes:-

- 1) Balance at the begning and at the end of the year

| Particulars                          | March 31,2021 |             |              |
|--------------------------------------|---------------|-------------|--------------|
|                                      | Number        | Number      | Amount       |
| Balance at the beginning of the year | 4,61,17,443   | 4,61,17,443 | 4,61,17,4430 |
| Issued during the year               | 0             | 0           | 0            |
| Balance at the end of the year       | 4,61,17,443   | 4,61,17,443 | 4,61,17,4430 |

- 2) In respect of the shares issued by the comany 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, 2022 | March 31, 2021 | % of holding |
|---|----------------|----------------|--------------|
|   | No of shares   | No of shares   |              |
| Natronix Semiconductor Technology Private Limited | 25811207       | 25811207       | 0.559        |

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

## SPEL Semiconductor Limited

| <b>Notes annexed to and forming part of the Ind AS Financial Statements</b> |                            |   |                        |                      |
|---|----------------------------|---|------------------------|----------------------|
|   |                            |   | (All amounts in Lakhs) |                      |
|   |                            |   | As at March 31, 2022   | As at March 31, 2021 |
| 1.10  | <b>OTHER EQUITY</b>        |   |                        |                      |
|   | Securities Premium Reserve | A | 47.35                  | 47.35                |
|   | Retained Earnings          | B | 1,327.22               | 2,543.50             |
|   |                            |   | <b>1,374.57</b>        | <b>2,590.85</b>      |

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**

| <b>Notes annexed to and forming part of the Ind AS Financial Statements</b> |   |  |                      |
|---|---|--|----------------------|
|   |   | (All amounts in Lakhs unless otherwise stated) |                      |
|   |   |  |                      |
| <b>1.11</b>   | <b>Non-Current Financial Liabiliteis - Borrowings</b> | As at March 31, 2022                           | As at March 31, 2021 |
| a)  | <b>Secured borrowings</b>                             |  |                      |
|   | i. IOB Term Loan                                      | 380.00   | -                    |
|   | ii. Debentures  | 700.00   | 700.00               |
|   |   | 1,080.00                                       | 700.00               |
| b)  | <b>Unsecured borrowings</b>                           |  |                      |
|   | i. Inter-corporate Deposit                            | 156.74   | 145.00               |
|   | ii. Unsecured Loan from others                        | 1,320.87                                       | 1,072.57             |
|   |   | <b>2,557.62</b>                                | <b>1,917.57</b>      |

## SPEL Semiconductor Limited

| Notes annexed to and forming part of the Ind AS Financial Statements |   |  |                         |                         |
|--|---|--|-------------------------|-------------------------|
|  |   |  | (All amounts in Lakhs)  |                         |
|  |   |  | As at March 31,<br>2022 | As at March 31,<br>2021 |
| <b>1.12</b>  | <b>Non-Current Liabilities-Provisions</b> |  |                         |                         |
|  | Provision for employee benefits           |  |                         |                         |
|  | i. Gratuity                               |  | 203.07                  | 230.96                  |
|  | ii. Compensated absences                  |  | 59.50                   | 67.83                   |
|  |   |  | 262.57                  | 298.80                  |

| Movement in the provision |                 |                           |                           |                 |
|---------------------------|-----------------|---------------------------|---------------------------|-----------------|
| Particulars               | Opening balance | Additions during the year | Deletions during the year | Closing balance |
| Gratuity                  |                 |                           |                           |                 |
| As on March 31,2022       | 262.43          | -                         | -                         | 59.18           |
| As on March 31,2021       | 381.52          | -                         | -                         | 119.09          |
| Compensated absences      |                 |                           |                           |                 |
| As on March 31,2022       | 82.76           | -                         | -                         | 14.18           |
| As on March 31,2021       | 103.64          | -                         | -                         | 20.88           |

**SPEL Semiconductor Limited****Notes annexed to and forming part of the Ind AS Financial Statements**

|             |                                       | (All amounts in Lakhs) |                      |
|-------------|---------------------------------------|------------------------|----------------------|
|             |                                       | As at March 31, 2022   | As at March 31, 2021 |
| <b>1.13</b> | <b>Deferred Tax Liabilities (NET)</b> |                        |                      |
|             | a) Deferred tax liabilities           | 2,670.81               | 2,308.95             |
|             | b) Deferred tax assets                | - 497.91               | - 164.10             |
|             |                                       | 2,172.89               | 2,144.85             |



**SPEL Semiconductor Limited**

| Notes annexed to and forming part of the Ind AS Financial Statements |   |                        |                      |
|--|---|------------------------|----------------------|
|  |   | (All amounts in Lakhs) |                      |
|  |   |                        |                      |
| <b>1.14</b>  | <b>Current Financial Liabilities - Borrowings</b> |                        |                      |
|  |   | As at March 31, 2022   | As at March 31, 2021 |
|  |   |                        |                      |
|  | <b>Secured borrowings</b>                         |                        |                      |
|  | Loans from banks                                  |                        |                      |
|  | i ) Packing Credit from banks                     | -                      | 962.70               |
|  | ii) Overdraft facility with Bank                  | 499.85                 | 12.34                |
|  | iii) Covid-19 Loan from Bank                      | 77.76                  | 100.00               |
|  |   |                        |                      |
|  |   | 577.61                 | 1,075.04             |

**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 Lakhs) |
| <b>1.15</b>  | <b>Current Financial Liabilities - Trade Payables</b> |                      |                        |
|  |   | As at March 31, 2022 | As at March 31, 2021   |
|  |   |                      |                        |
|  | Trade payables - including acceptances                |                      |                        |
|  | i. Micro and small enterprises                        | 2.30                 | 2.30                   |
|  | [ Refer note to the Financial Statements ]            |                      |                        |
|  |   |                      |                        |
|  | ii. Other trade payables                              | 1,048.40             | 918.64                 |
|  |   |                      |                        |
|  |   | 1,050.69             | 920.94                 |

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 Lakhs) |                      |
|  |  | As at March 31, 2022   | As at March 31, 2021 |
| <b>1.16</b>  | <b>Current Financial Liabilities - Others</b>  |                        |                      |
|  | a) Interest accrued and due on secured loans   | 31.41                  | 33.50                |
|  | b) Interest accrued and due on unsecured loans | 126.83                 | 104.72               |
|  | c) Rental and other advances                   | 156.74                 | 146.89               |
|  | d) Employee benefits                           | 876.58                 | 1,106.72             |
|  | e) Capital creditors                           | -                      | 25.57                |
|  | f) Others                                      | 365.24                 | 71.74                |
|  |  | <b>1,556.80</b>        | <b>1,489.13</b>      |

**Note:**

1. These are carried at amortised cost

## SPEL Semiconductor Limited

| <b>Notes annexed to and forming part of the Ind AS Financial Statements</b> |                                      |  |                      |
|---|--------------------------------------|--|----------------------|
|   |                                      | (All amounts in Lakhs unless otherwise stated) |                      |
|   |                                      | As at March 31, 2022                           | As at March 31, 2021 |
| <b>1.17</b>   | <b>Other Current Liabilities</b>     |  |                      |
|   | a) Advance from customers            | 335.13   | 37.69                |
|   | b) Statutory liabilities             | 150.22   | 221.26               |
|   | c) Advance for Sale of Capital Asset | 2,380.00                                       | 750.00               |
|   | Others                               | 437.61   | 314.00               |
|   | <b>Total</b>                         | <b>3,302.96</b>                                | <b>1,322.95</b>      |

**SPEL Semiconductor Limited**

| <b>Notes annexed to and forming part of the Ind AS Financial Statements</b> |                                       |                        |                      |
|---|---------------------------------------|------------------------|----------------------|
|   |                                       | (All amounts in Lakhs) |                      |
|   |                                       | As at March 31, 2022   | As at March 31, 2021 |
| <b>1.18</b>   | <b>CURRENT LIABILITIES-PROVISIONS</b> |                        |                      |
|   | a) Provision for employee benefits    |                        |                      |
|   | - Gratuity                            | 0.19                   | 31.47                |
|   | - Compensated absence                 | 9.08                   | 14.93                |
|   | <b>Total</b>                          | <b>9.27</b>            | <b>46.40</b>         |

**SPEL Semiconductor Limited**

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

(All amounts Rs. in Lakhs)

|                                    | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|------------------------------------|------------------------------|------------------------------|
| <b>2.1 Revenue from Operations</b> |                              |                              |
| a) Sale of products                |                              |                              |
| Export sales                       | 1,543.95                     | 1,586.31                     |
| b) Revenue from services           | 1.55                         | 5.80                         |
| c) Other operating revenues        | 19.08                        | -                            |
|                                    | <b>1564.58</b>               | <b>1592.11</b>               |

### SPEL Semiconductor Limited

| Notes annexed to and forming part of the Financial Statements |                                    |                              |                              |
|---|------------------------------------|------------------------------|------------------------------|
| (All amounts in Rs. Lakhs)                                    |                                    |                              |                              |
|   |                                    | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| <b>2.2</b>  | <b>Other Income</b>                |                              |                              |
|   | a) Interest income from            |                              |                              |
|   | i. Deposits                        | 0.37                         | -                            |
|   | ii. Others                         | 11.92                        | 6.47                         |
|   |                                    | 12.29                        | 6.47                         |
|   | d) Other non-operating income      |                              |                              |
|   | i. Foreign exchange gain - net     | 0.18                         | 36.63                        |
|   | ii. Rental income                  | 123.27                       | 121.82                       |
|   | iii. Credit balancees written back | -                            | 391.53                       |
|   | iv. Others                         | -                            | 1.72                         |
|   |                                    | 123.44                       | 551.70                       |
|   |                                    | <b>135.73</b>                | <b>545.23</b>                |

**SPEL Semiconductor Limited**

| <b>Notes annexed to and forming part of the Financial Statements</b> |   |                              |                              |
|--|---|------------------------------|------------------------------|
|  |   | (All amounts in Rs. Lakhs)   |                              |
|  |   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| <b>2.3</b>   | <b>Cost of Material Consumed</b>        |                              |                              |
|  | Inventory at the beginning of the year  | 257.43                       | 248.77                       |
|  | Add : Purchases & Other Expenses        | 457.40                       | 491.53                       |
|  | Less : Inventory at the end of the year | 256.04                       | 257.43                       |
|  |   |                              |                              |
|  | <b>Cost of raw materials consumed</b>   | <b>458.79</b>                | <b>482.87</b>                |



**SPEL Semiconductor Limited**

**Notes annexed to and forming part of the Financial Statements**

(All amounts in Lakhs unless otherwise stated)

**2.4 Changes in Inventories of Finished Goods, Stock in Trade And Work-In-Progress**

|  |   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|--|---|------------------------------|------------------------------|
|  | Inventories at the end of the year        |                              |                              |
|  | (Increase) / Decrease in Work-in-Progress | - 91.82                      | 12.53                        |
|  | (Increase) / Decrease in Finished Goods   | -                            | -                            |
|  |   | - 91.82                      | 12.53                        |
|  |   | <b>91.82</b>                 | <b>12.53</b>                 |

### SPEL Semiconductor Limited

| <b>Notes annexed to and forming part of the Financial Statements</b> |  |                              |                              |
|--|--|------------------------------|------------------------------|
|  |  | (All amounts in Rs. Lakhs)   |                              |
|  |  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| <b>2.5</b>   | <b>Employee Benefits Expense</b>             |                              |                              |
|  | a) Salaries,wages and bonus                  | 596.80                       | 573.41                       |
|  | b) Contribution to provident and other funds | 65.88                        | 86.72                        |
|  | c) Staff welfare expenses                    | 41.67                        | 48.33                        |
|  |  | <b>704.34</b>                | <b>708.46</b>                |

| <b>SPEL Semiconductor Limited</b>                                    |                        |                              |                              |
|--|------------------------|------------------------------|------------------------------|
|  |                        |                              |                              |
| <b>Notes annexed to and forming part of the Financial Statements</b> |                        |                              |                              |
|  |                        | (All amounts in Rs.Lakhs)    |                              |
|  |                        | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| <b>2.6</b>   | <b>Finance Costs</b>   |                              |                              |
|  | Interest on borrowings | 86.41                        | 116.45                       |
|  |                        | 86.41                        | 116.45                       |

## SPEL Semiconductor Limited

| <b>Notes annexed to and forming part of the Financial Statements</b> |  |                              |                              |
|--|--|------------------------------|------------------------------|
|  |  | (All amounts in Rs.Lakhs)    |                              |
|  |  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| <b>2.7</b>   | <b>Depreciation and Amortization Expense</b> |                              |                              |
|  | <b>A) Property, plant and equipment</b>      |                              |                              |
|  | (i) Buildings                                | 3.22                         | 3.22                         |
|  | (ii) Plant and equipment                     | 464.93                       | 426.19                       |
|  | (iii) Furniture and fittings                 | 0,03                         | 0.12                         |
|  | (iv) Computers                               | 0.80                         | 0.18                         |
|  | (v) Office equipment                         | 0.10                         | 0.28                         |
|  | Total on Tangible assets (A)                 | 469.07                       | 429.98                       |
|  | <b>b) Intangible assets</b>                  |                              |                              |
|  | (i) Computer software                        |                              |                              |
|  | - Acquired                                   | 0.16                         | 0.46                         |
|  | Total on Intangible assets (B)               | 0.16                         | 0.46                         |
|  | A+B  | 469.23                       | 430.44                       |

**SPEL Semiconductor Limited**

**Notes annexed to and forming part of the Financial Statements**

(All amounts in Lakhs)

|            |  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|------------|--|------------------------------|------------------------------|
| <b>2.8</b> | <b>Other Expenses</b>                          |                              |                              |
|            | (a) Consumption of stores and tools            | 45.70                        | 56.53                        |
|            | (b) Power and fuel                             | 277.93                       | 218.73                       |
|            | (c) Rent                                       | 2.99                         | 3.01                         |
|            | (d) Repairs and maintenance                    |                              |                              |
|            | - Buildings                                    | 26.14                        | 11.14                        |
|            | - Plant and machinery                          | 0.90                         | 0.39                         |
|            | - Others                                       | 9.40                         | 6.39                         |
|            | (e) Insurance                                  | 2.68                         | 16.13                        |
|            | (f) Rates and taxes, excluding taxes on income | 17.90                        | 9.94                         |
|            | (g) Travelling                                 | 38.62                        | 28.36                        |
|            | (h) Bad and doubtful debts                     | 0.09                         | 391.42                       |
|            | (i) Selling and administration expenses        | 99.03                        | 98.54                        |
|            | (j) Packing and forwarding charges             | -                            | 0.33                         |
|            | (k) Bank Charges                               | 35.53                        | 19.39                        |
|            | (l) Legal and professional fees                | 77.95                        | 55.99                        |
|            | (m) Miscellaneous                              | 28.71                        | 34.55                        |
|            |  | <b>661.78</b>                | <b>950.86</b>                |

| Notes: |                                       |                              |                              |
|--------|---------------------------------------|------------------------------|------------------------------|
| 2.8(a) |                                       |                              |                              |
|        |                                       | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|        | <b>Payment to auditors</b>            | Rs. in L                     | Rs. in L                     |
|        | Statutory Audit fee                   | 3.00                         | 3.00                         |
|        | Taxation Matters                      | 1.00                         | 1.00                         |
|        | Certification fees and other services | 1.40                         | 1.40                         |
|        |                                       | <b>5.40</b>                  | <b>5.40</b>                  |

**SPEL Semiconductor Limited**

**Notes annexed to and forming part of the Financial Statements**

(All amounts in Lakhs unless otherwise stated)

|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|---|------------------------------|------------------------------|
| <b>2.9 Exceptional Items</b>              |                              |                              |
| a) Termination Compensation for Employees | 567.00                       | -                            |
| b) Credit balances written back           | -                            | 1,647.55                     |
| c) Unbilled revenue written off           | -                            | 1,927.63                     |
|   | 567.00                       | 280.08                       |