



**29<sup>th</sup> Annual Report**  
**2013-14**

*Defining The Future Through Partnerships*



## **SPEL Semiconductor Limited**

### **Board of Directors**

- |                             |                           |
|-----------------------------|---------------------------|
| 1. Dr. T. S. Vijayaraghavan | Director                  |
| 2. Mr. K. Ravikumar         | Director                  |
| 3. Mr. N. Ramakrishnan      | Director                  |
| 4. Mr. D. Balakrishnan      | Whole Time Director & CEO |
| 5. Mr. N. Sivashanmugam     | Whole Time Director       |

### **Company Secretary**

Ms. Rohini Ramanathan

### **Auditors**

M.S. Krishnaswami & Rajan  
GB, Anand Apartment, Ground Floor  
JP Avenue, 6th Cross Street,  
Dr. Radhakrishnan Salai, Mylapore,  
Chennai 600 004.

### **Registered Office & Factory**

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

### **US Office**

4030 Moorpark Ave # 236  
San Jose, CA 95117, USA

### **Bankers**

1. Indian Overseas Bank
2. Allahabad Bank

### **Registrar & Share Transfer Agents**

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



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## Vision

*To Be the **Natural Destination** for Global Customers Seeking  
Cost-Effective Offshore Turnkey IC Assembly & Test Services*

## Mission

*SPEL Semiconductor Limited, an IC Assembly &  
Test Subcontractor for over 20 years, works as one team  
to achieve Zero defect, Just-in-time, Cost-effective solutions  
with Service that is uncompromised*

*SPEL's Partners - Customers, Suppliers,  
Employees & Shareholders are confident in the  
knowledge that we are consistently meeting and  
exceeding their expectations*

## Quality Policy

*Consistently provide products and services that will exceed  
the quality expectations of our Customers*

*Implement process improvement programs, which will enable each  
Employee to do their job, **right the first time***

*Work towards continual quality improvement through  
training and teamwork*



## Environment Policy

SPEL Semiconductor Limited is a leading Semiconductor Assembly & Test facility providing high quality Integrated Circuits Packing solutions and has the following policy for environmental care

*Nurture the nature by complying with accepted environmental practices in all our activities, with the following guiding objectives*

**G**earing up for continual improvement with our Environmental Management System and reviewing it periodically

**R**especting and being committed to meet and exceed legal and other requirements

**E**mphasizing the minimization of significant impacts, wastes and pollution prevention

**E**nhancing the environmental performance by resource conservation, awareness through training and by reducing, recycling and reusing waste and packing

**N**otifying this policy to all Stakeholders



### Previous 5 years performance

(₹ in lakhs)

	2013-14	2012-13	2011-12	2010-11	2009-10
Sales	6338.90	8076.92	7978.63	9146.24	8716.00
PBIDT	1586.20	1197.01	1340.67	1828.28	1962.55
Finance Cost	470.37	584.01	325.12	173.25	214.57
PBDT	1115.83	613.00	1015.55	1655.03	1747.98
Depreciation	1096.13	1185.06	937.80	881.34	818.45
PBT	19.70	(572.06)	77.75	773.69	929.53
Tax Expense	(12.48)	(117.03)	20.81	320.71	318.69
PAT	32.18	(455.03)	56.94	452.98	610.84
Net Profit	32.18	(455.03)	56.94	452.98	610.84



### Acceptance of Communication through Electronic Mode

In an effort to make the earth a better place to live, the green movement has been sweeping over the globe. Not only are Governments & Companies contributing to helping the environment, individuals are as well. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by Companies through electronic mode and has issued recently a Circular bearing No. 17/2011 dated Apr 21, 2011 stating that service of documents by a Company to its Members can be made through electronic mode. The move of the Ministry allows public at large to contribute to the green movement.

Keeping in view the underlying theme and the circular issued by MCA, we will be sending various communications and documents like notice calling general meetings, audited financial statements, Directors' report, auditor's report etc., henceforth, in electronic form, to the eMail address provided by you to the Depositories.

If you are holding Company's shares in electronic

form and have an eMail ID, not registered with our Share Transfer Agent Cameo Corporate Services Limited, the same may be furnished to us at the AGM venue or may be updated with our Share Transfer Agent at **investor@cameoindia.com**.

Members holding shares in the physical form may also register their eMail ID with our Share Transfer Agent or write to us at **investors@spel.com**

This is also a golden opportunity for every Shareholder of the Company to contribute to this Corporate Social Responsibility initiative of SPEL. By receiving communications through electronic mode you also have the benefit of receiving communications promptly and avoiding loss in postal transit, besides helping save costs on paper, postage, reducing paper consumption & saving trees.

1. Shareholder's Name :
- 2 Folio No. :
3. E-mail ID :

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Signature

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## Notice

Notice is hereby given that the 29<sup>th</sup> Annual General Meeting (AGM) of SPEL Semiconductor Limited will be held at 10.45 am on Monday the Sep 15, 2014 at the Registered office of the Company, No. 5, CMDA Industrial Estate, Maraimalai Nagar 603 209, to transact the following Business :

### Ordinary Business

#### 1. Adoption of Financial Statements

To receive, consider and adopt the Financial Statements of the Company for the year ended Mar 31, 2014 including the Audited Balance Sheet as on that date, the Statement of Profit and Loss, and the reports of the Board of Directors and Auditors thereon.

#### 2. Appointment of Auditors

To re-appoint Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the 4<sup>th</sup> consecutive AGM, to fix their remuneration and to pass the following resolution :

"Resolved that pursuant to provisions of Section 139 of the Companies Act, 2013 and Rules and the recommendation of the Audit Committee of the Board of Directors, M/s. M.S.Krishnaswami & Co., Chartered Accountants (Firm Registration No.01554S), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this AGM to the conclusion of the 4<sup>th</sup> consecutive AGM and that the Board of Directors be and is hereby authorized to fix such remuneration as may be determined in consultation with the Auditors".

### Special Business:

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

#### 3. Appointment of Dr. T. S. Vijayaraghavan as Independent Director

"Resolved that in accordance with the provisions of Sections 149, 150, 152 and applicable provision of the Companies Act, 2013 ("Act") thereunder read with Schedule IV to the Act as is current at any time Dr. T. S. Vijayaraghavan (holding DIN 00063728), a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and is eligible for appointment be and is hereby appointed as an Independent Director of the

Company with effect from Sep 15, 2014 and upto Sep 14, 2019, not liable to retire by rotation".

#### 4. Appointment of Mr. N. Ramakrishnan as Independent Director

"Resolved that in accordance with the provisions of Sections 149, 150, 152 and applicable provision of the Companies Act, 2013 ("Act") thereunder read with Schedule IV to the Act as is current at any time Mr. N. Ramakrishnan (holding DIN 00046234), a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and is eligible for appointment be and is hereby appointed as an Independent Director of the Company with effect from Sep 15, 2014 and upto Sep 14, 2019, not liable to retire by rotation".

#### 5. Appointment of Mr. K. Ravikumar as Independent Director

"Resolved that in accordance with the provisions of Sections 149, 150, 152 and applicable provisions of the Companies Act, 2013 ("Act") thereunder read with Schedule IV to the Act as is current at any time, Mr. K.Ravikumar,(holding DIN 00119753), a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and is eligible for appointment be and is hereby appointed as an Independent Director of the Company with effect from Sep 15, 2014 and upto Sep 14, 2019, not liable to retire by rotation."

#### 6. Appointment of Mr.D.Balakrishnan as the Director, liable to retire by rotation and Whole-Time Director

"Resolved that in accordance with the applicable provisions of the Companies Act, 2013 ("Act"), Mr.D.Balakrishnan (holding DIN 02131242) who was appointed as Additional Director of the Company by the Board of Directors with effect from Jun 19, 2014 be and is hereby appointed as a Whole-Time Director of the Company."

"Resolved further that subject to the provisions of Section 2(94), 196, 197, 198 and 203 and others that are applicable of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and Rules, consent of the Company be and is hereby accorded to the appointment of Mr.D.Balakrishnan as Whole-Time Director of the Company from Jun 19, 2014 on terms and conditions as specified in the Statement pursuant to Section 102(1) of Companies Act, 2013 annexed to this notice as under :





## **I. Remuneration**

- i) Basic Salary of ₹15,72,000/- per annum, with annual increments to be fixed by the Board of Directors based on performance.
- ii) Special Allowance of ₹ 8,83,044/- per annum.
- iii) Performance linked incentive not exceeding ₹14,00,004/- per annum based on his performance and target achievement.
- iv) Remuneration shall be subject to deduction of tax at source and other statutory deductions as applicable.

## **II. Perquisites**

- i) Medical expenses for himself and/or any member of his family not exceeding ₹15,000/- per annum.
- ii) Contribution by the Company towards Provident Fund at the applicable rates in force as per Company rules.
- iii) Gratuity as per Company rules.

- iv) Conveyance reimbursement at actual cost subject to a maximum of ₹ 5,04,000/- per annum including chauffeur for official purpose.
- v) Telephone & Mobile phone expenses including payment for local calls and long distance calls incurred for business purposes of the Company to a maximum of ₹12,000/- per annum.

“Resolved further that the Board of Directors and the Company Secretary, be and are hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

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

**Rohini Ramanathan**  
Company Secretary

## **Notes**

1. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013, regarding Special Business set out in Item Nos. 3 to 6 is annexed hereto.
2. Details required under Clause 49 of the Listing Agreement with the Stock Exchanges, of persons seeking appointment / re-appointment is annexed.
3. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy/ Proxies to attend and vote instead of himself/herself. Such a Proxy/ Proxies need not be a Member of the Company. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total Share Capital of the Company.  
  
The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. The Register of Members and the Share Transfer books of the Company will remain closed from Sep 5, 2014 to Sep 15, 2014 (both days inclusive).
5. For shares held in physical form, any change in address may be intimated immediately to the Company / Share Transfer Agent by quoting the Folio Number(s). For shares held in demat form, change in address may be intimated directly to the Members' DP. Members are requested to address all correspondences to the Registrar and Share Transfer Agents, Cameo Corporate Services Limited, Subramanian Building, 1 Club House Road, Chennai 600 002.
6. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and be verified.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.



8. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, form an integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
9. Electronic copy of the Annual Report for 2013-14 is being sent to all the Members whose E-mail ID's are registered with the Company/Depository Participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013 is being sent in the permitted mode.
10. Electronic copy of the Notice of the 29<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose E-mail ID's are registered with the Company/Depository Participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their E-mail address, physical copies of the Notice of the 29<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
11. Members may note that the Notice of the 29<sup>th</sup> Annual General Meeting and the Annual Report for 2013-14 will be available on the Company's website [www.spel.com](http://www.spel.com) for download. Physical copies of these documents will be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the Shareholders may also send requests to the Company's investor email ID: [investors@spel.com](mailto:investors@spel.com).
12. **Voting through electronic means (e-voting)**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to Members to exercise their votes electronically to all resolutions set forth in the Notice convening the 29<sup>th</sup> Annual General Meeting (AGM) to be held on at 10.45 am on

Monday, Sep 15, 2014. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.

The Company has appointed Mr. T. Balasubramanian of M/s. BM & Associates, Company Secretaries as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. e-voting is optional. The e-voting rights of the Shareholders / Beneficial Owners shall be reckoned on the Equity Shares held by them as on Aug 14, 2014.

**The instructions for e-voting are as under:**

- (i) The voting period begins on Sep 8, 2014 at 9.00 am and ends on Sep 10, 2014 at 6.00 pm. During this period Shareholders' of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Aug 14, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user, follow the steps given below:

For Members holding Shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders)