



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

**34<sup>th</sup> Annual Report**  
**2018 - 19**

*Defining The Future Through Partnerships*

# **SPEL Semiconductor Limited**

## **Board of Directors**

- |                             |                           |
|-----------------------------|---------------------------|
| 1. Mr. K. Ravikumar         | Director                  |
| 2. Mr. N. Suryanarayanan    | Director                  |
| 3. Mr. M. Jayasankar        | Director                  |
| 4. Dr. Enakshi Bhattacharya | Director                  |
| 5. Mr. S. Chandramohan      | Additional Director       |
| 6. Mr. D. Balakrishnan      | Whole Time Director & CEO |

## **Chief Financial Officer**

Mr. V. Srinivasan

## **Company Secretary & Compliance Officer**

Mr. S. S. Arunachalam

## **Auditors**

Mr. K. Nandhiswaran, F.C.A., F.C.S.,  
Chartered Accountant  
# 40 A, 1st Circular Road  
Jawahar Nagar, Chennai 600 082

## **Registered Office & Factory**

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

## **Bankers**

Indian Overseas Bank

## **Registrar & Share Transfer Agents**

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

**Previous 10 years performance**

**( ₹ in Lakhs)**

	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
<b>Sales</b>	26,33.74	41,66.31	35,53.22	25,85.04	47,19.37	63,38.90	80,76.92	79,78.63	91,46.24	87,16.00
<b>PBIDT</b>	(3,01.68)	86.31	(22,98.94)	(9,86.62)	13,68.29	15,86.20	11,97.01	13,40.67	18,28.28	19,62.55
<b>Finance Cost</b>	2,84.37	2,89.16	2,15.67	3,04.40	4,04.29	4,70.37	5,84.01	3,25.12	1,73.25	2,14.57
<b>PBDT</b>	(5,86.05)	(2,02.85)	(25,14.61)	(12,91.02)	9,64.00	11,15.83	6,13.00	10,15.55	16,55.03	17,47.98
<b>Depreciation</b>	5,14.81	6,30.57	6,93.33	10,71.32	10,12.40	10,96.13	11,85.06	9,37.80	8,81.34	8,18.45
<b>PBT</b>	(11,00.86)	(8,33.42)	(32,07.94)	(23,62.34)	(48.40)	19.70	(5,72.06)	77.75	7,73.69	9,29.53
<b>Tax Expense</b>	(27.28)	13.64	(1,47.54)	(3,83.33)	(13.18)	(12.48)	(1,17.03)	20.81	3,20.71	3,18.69
<b>PAT</b>	(10,73.58)	(8,47.06)	(30,60.40)	(19,79.00)	(35.22)	32.18	(4,55.03)	56.94	4,52.98	6,10.84
<b>Net Profit</b>	(10,73.58)	(8,47.06)	(30,60.40)	(19,79.00)	(35.22)	32.18	(4,55.03)	56.94	4,52.98	6,10.84

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## Notice

Notice is hereby given that the 34th Annual General Meeting of the Members of SPEL Semiconductor Limited will be held at 3.30 pm on Saturday, Sep 28, 2019 at the Registered Office of the Company, No.5 CMDA Industrial Estate, Maraimalai Nagar 603 209 to transact the following business :

## Ordinary Business

### 1. Adoption of Financial Statements

To receive, consider and adopt the Balance Sheet as at Mar 31, 2019 and the Statement of Profit and Loss and Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, together with the Reports of the Directors and the Auditors thereon.

### 2. Retirement by Rotation

To appoint a Director in place of Mr. K. Ravikumar, 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 4th consecutive AGM, be and is hereby ratified"

## Special Business

### 4. Appointment of Mr. S. Chandramohan as Independent Director

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

"Resolved that in accordance with the provisions of Sections 149, 150, 152 and applicable provisions of the Companies Act, 2013 ("Act") thereunder read with Schedule IV to the Act as is

current at any time, Mr. S. Chandramohan, (holding DIN 00052571), as 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 appointed as an Independent Director of the Company with effect from Feb 11, 2019 and upto Feb 10, 2024, not liable to retire by rotation."

### 5. Re-appointment of Mr. D. Balakrishnan, as Whole Time Director

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

"Resolved that subject to the provisions of Section 2(94), 196, 197, 198 and 203 and other applicable provisions 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 re-appointment of Mr. D. Balakrishnan as Whole Time Director of the Company from Aug 1, 2019 to Jul 31, 2024 on the terms and conditions as specified in the statement pursuant to Section 102(1) of the Companies Act, 2013 to this Notice as under :

- Remuneration : ₹ 22,14,060/-
- Remuneration shall be subject to deduction of tax at source and other statutory deductions as applicable.
- Perquisites : ₹ 15,000/-
- Telephone & Mobile phone expenses including payment for local calls and long distance calls incurred for business purposes of the Company to as per company rules.

"Resolved further that the Board of the Committee of Directors be and are hereby authorized to modify, the terms and conditions and remuneration, during the tenure of his office".

"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”

**6. Renewal of Non-Convertible Debenture issued on Private Placement Basis and re-appointment of SBICAP Trustee Company Limited as the Trustee for Non-Convertible Debenture**

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

“Resolved that pursuant to Section 42 and 71 of the Companies Act, 2013 ("the Act") read with Rule 14 (2) Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies Share Capital and Debentures Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and subject to the 117 (w) (ii) provisions of Articles of Association of the Company, and subject to such other approvals as may be required from time to time, consent of the Board be and is hereby accorded, to renew Secured or Unsecured, Non-Convertible Debentures on private placement basis.

“Resolved further that under the provisions of Section 179 (3) (c) of the Companies Act, 2013 and Companies Share Capital and Debentures Rules 2014, the Board of the Company be and is hereby authorized to renew Non-convertible Debenture in favour of Dr. A. C. Muthiah and Mrs. Devaki Muthiah amounting to Rs.3.5 Crores each in lieu of unsecured loan of Rs.7 Crores received from them”.

“Resolved that under the provisions of Section 179 (3) (f) of the Companies Act, 2013 and Companies Share Capital and Debentures Rules 2014, the Board of the Company be and is hereby authorized to create securities in relation to the renewal of the above Non-Convertible Debentures”

“Resolved further that in connection with the above, SBICAP Trustee Company Limited, Mumbai, be re-appointed as the Trustee for this purpose and Mr. D. Balakrishnan, Director & CEO or Mr. S. S. Arunachalam, CS&CO be and is hereby severally authorized to do all such acts, deeds matters and things as may be deemed necessary.”

“Resolved further that the Common Seal of the Company be affixed in the Non-Convertible Debenture in the presence of any two of the Directors and Secretary of the Company”

By order of the Board  
for SPEL Semiconductor Limited

D. Balakrishnan

Whole Time Director & CEO

DIN: 02131242

May 29, 2019  
Chennai

## Notes

1. Details required under Listing Agreement with the Stock Exchange, of persons seeking appointment / re-appointment is annexed.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy/ Proxies to attend and vote instead of himself/herself. Such a Proxy/ Proxies need not be a Member of the Company. A person can act as Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total Share Capital of the Company.
3. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting. A Proxy form is sent herewith. Proxies submitted on behalf of Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. The Register of Members and the Share Transfer books of the Company will remain closed from Sep 22, 2019 to Sep 28, 2019 (both days inclusive).
5. For Shares held in physical form, any change in address may be intimated immediately to the Company / Share Transfer Agent by quoting the Folio Number (s). For Shares held in Demat form, change in address may be intimated directly to the Members' DP. Members are requested to address all correspondences to the Registrar and Share Transfer Agents, Cameo Corporate Services Limited, Subramanian Building, 1 Club House Road, Chennai-600 002.
6. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and be verified.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
8. Electronic copy of the Abridged Annual Report is being sent to all the Members whose email IDs are registered with the Company/ Depository Participant (s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Abridged Annual Report is being sent in the permitted mode.  
Members may note that the Notice of the 34th Annual General Meeting and full Annual Report will be available on the Company's website [www.spel.com](http://www.spel.com) for download. Physical copies of full Annual Report will be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to full Annual Report in physical form, upon making a request for the same, by post free of cost. For any communication, the Shareholders may also

send requests to the Company's Investor eMail id : investors@spel.com.

#### 9. Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

The instructions for Shareholders voting electronically are as under :

- a. The voting period begins at 9.00 am on Sep 25, 2019 and ends at 5.00 pm on Sep 27, 2019. During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Sep 21, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b. The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- c. Click on Shareholders.
- d. Now Enter your User ID
  - i. For CDSL: 16 digits beneficiary ID,
  - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e. Next enter the Image Verification as displayed and Click on Login
- f. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- g. If you are a first time user follow the steps given below :

#### For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (c).</li> </ul>

- h. After entering these details appropriately, click on "SUBMIT" tab.
- i. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other

Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- j. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - k. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
  - l. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - m. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - n. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - o. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - p. You can also take print out of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - q. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - r. Note for Non-Individual Shareholders and Custodians
  - i. Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - iii. After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - iv. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - v. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - vi. In case you have any queries or issues regarding e-voting, you may refer the e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be opened for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.
- Note: e-Voting shall not be allowed beyond said time.

By order of the Board  
for SPEL Semiconductor Limited

D. Balakrishnan

May 29, 2019  
Chennai

Whole Time Director & CEO  
DIN: 02131242



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

**Item No.4**

Mr. S. Chandramohan was appointed as Additional Director of the Company by the Board of Directors at its Meeting held on Feb 11, 2019 pursuant Section 149, 152 of the Companies Act 2013 and Article 94 of Articles of Association of the Company and holds office upto the date of this Annual General Meeting of the Company pursuant to Section 161 (1) of the Act and Article 94 of Articles of Association of the Company

A brief profile of Mr. S. Chandramohan is given herein for the information of Shareholders.

Mr. S. Chandramohan is a Chemical Engineer from Annamalai University, with a post graduate qualification in Business Management from Madras University. He has been associated with a southern conglomerate for nearly four decades in multifarious functions and positions at different locations, both in India and abroad. He joined Tuticorin Alkali Chemicals and Fertilisers Limited (TAC) as its Managing Director & held the position for nearly 9 years.

In Jan 2014, he joined the Kanchi Kamakoti CHILDS Trust Hospital as its Chief Executive Officer (CEO) and is holding the position since then. During the last three years, he has been responsible for revamping, modernising and upgrading the 40-year-old hospital to an ultra-modern hospital. He is also the Advisor to the Tamilnadu Chapter of the Association of Health Care Providers of India (AHPI).

During 2006, the CENTRE FOR SUGGESTION SYSTEM DEVELOPMENT, U.S.A., honoured him with the "SUGGESTION SALUTE AWARD FOR 2006" for his outstanding achievement in the Suggestion System Industry. During Dec. 2007, the INSTITUTE OF ECONOMIC

STUDIES, New Delhi conferred the "UDYOG RATTAN AWARD", for his outstanding performance in the field of Industrial Development of the country. In 2010, the Indian Institute of Chemical Engineers bestowed the DOST Professor J.K. Sharma Medal and CHEMCON distinguished Speaker Award at its annual All India Chemical Engineering Conference

In the opinion of the Board, Mr. S. Chandramohan fulfills the conditions specified in the Act and Rules for his appointment as an Independent Director of the Company as he is independent of the management under Section 149(6) & 152(5) of the Act.

Accordingly under Section 149 read with Schedule VI of the Act, the appointment of Mr.S. Chandramohan as Independent Director is placed before the Members in the General Meeting for approval.

The Board recommends the election of Mr. S. Chandramohan as a Director not liable to retire by rotation, for the approval of the Shareholders.

Notice has been received from a Member signifying his intention to propose appointment of Mr. S. Chandramohan as Director of the Company along with a deposit of ₹ 1,00,000/-.

Except Mr. S. Chandramohan, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

**Item No.5**

The Board at its meeting held on Jun 19, 2014 appointed Mr. D. Balakrishnan as Additional Director of the Company with effect from Jun 19, 2014 and subsequently he was also appointed as Whole Time Director of the Company with effect from Aug 1, 2014, for a 5 year period ending upto Jul 31, 2019. Since his position is expiring the board at its meeting held on May 29th, 2019 approved re-appointment of Mr. D. Balakrishnan as Whole Time Director at

the company

A brief Profile of Mr. D. Balakrishnan is given herein for information of Shareholders. Mr. D. Balakrishnan holds a Degree in Engineering (Electronics & Communication) from Bangalore University. He has over 23 years of experience in the Semiconductor Industry. He joined in SPEL as Technical Sales Engineer, held positions of Production Control Manager & GM (Operations). He was the Chief Operating Officer since 2007. He has been instrumental in scaling operations and possess exceptional Leadership qualities besides providing his mettle in team building, production planning & control and resource management. He is now holds the present position of CEO from Jun 18, 2009. He also spearheads Natronix-SPEL's expansions within and outside India.

The terms and conditions of Mr. D. Balakrishnan's re-appointment have been set out in the resolutions and he will function under the supervision of the Board.

The Board recommends the re-election of Mr. D. Balakrishnan as Whole Time Director for the approval of the Shareholders. A copy of the agreement relating to his re-appointment with the terms and conditions is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day excluding Saturday. Except Mr. D. Balakrishnan, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

#### **Item No.6**

In order to meet the working capital requirements of the Company that may arise during FY 2019-20, the Board of Directors of the Company at its meeting held on May 30, 2016 has, subject to the approval of the Shareholders in the General Meeting proposed

to issue Non-Convertible Debenture to various persons on private placement basis, at such terms and conditions and at such price(s) in compliance with the requirements of regulatory authorities, in any as may be finalized by the Board and/or Committee of Directors. The amount raised by way of issue of Non-Convertible Debentures on private placement basis however, shall not exceed ₹ 50 Crores in aggregate.

Consent of the Members is therefore sought in connection with the aforesaid renewal of Debentures from time to time and authorize Board (including any Committee of the Board) to renew Non-Convertible Debentures for a period of 3 years ending upto Jul 31, 2022 FY 2019-20 on private placement basis upto ₹ 50 Crores as stipulated above, in one or more branches.

The Board recommends the Special Resolution set forth in Item No.6 of the Notice for approval of the Members.

None of the Directors or Key Management Personnel of the Company including their relatives are interested or concerned in the Resolution except to the extent of their shareholding if any, in the Company.

“Resolved that Board of Directors of the Company or the Committee thereof be and is hereby authorized to finalize with the investor(s) for creating mortgage / charges / pledge / hypothecate and to negotiate / finalize, sign the documents in connection with the above renewal of Non-Convertible Debentures.”

The Company has appointed Sri. T. Balasubramaniyan, Practicing Company Secretary, Chennai (C.P.No. 3402) to act as Scrutinizer for conducting the electronic voting process in a fair and transparent manner.

By order of the Board  
for SPEL Semiconductor Limited

May 29, 2019  
Chennai

D. Balakrishnan  
Whole Time Director & CEO  
DIN: 02131242