



SPEL Semiconductor Limited

an IC Assembly & Test Company

35th Annual Report 2019- 20

Defining The Future Through Partnerships



SPEL Semiconductor Limited

an IC Assembly & Test Company

35TH ANNUAL REPORT 2019-20

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

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

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NOTICE

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

Ordinary Business

1. Adoption of Financial Statements

To receive, consider and adopt the Balance Sheet as at Mar31, 2020 and the Statement of Profit and Loss and Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, together with the Reports of the Directors and the Auditors thereon.

2 Retirement by Rotation

To appoint a Director in place of Mr. D. Balakrishnan, who retires by rotation and being eligible, offers himself for re-appointment.

3. Ratification of Appointment of Auditors

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

1st December ,2020

Chennai.

By order of the Board,

For SPEL Semiconductor Limited

D.Balakrishnan

Whole Time Director & CEO

DIN: 02131242

NOTES:

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

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

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

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

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

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

6. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Member can contact the Company or Company's Registrars and Transfer Agents, Cameo Corporate Services Limited for assistance in this regard.

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

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

9. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-

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

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

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

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

14. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019- 20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.natronix.net, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, and on the website of CDSL: <https://www.evotingindia.com>.

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

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

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

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

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

The instructions for shareholders voting electronically are as under:

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

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

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

(iv) Click on "Shareholders" module.

(v) Now enter your UserID

a. For CDSL: 16 digits beneficiary ID,

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

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

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

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

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

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

Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction(v).
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- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the UserID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

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

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

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

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

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

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

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

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

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

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

Other Instructions:

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

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

Name of the Director	Mr. D.Balakrishnan
DIN	02131242
Date of Birth	Dec 8, 1963
Date of Appointment	June 19, 2014
Qualification	Degree in Engineering (Electronics & Communication) from Bangalore University
Expertise in specific functional areas	He has over 24 years of experience in the Semiconductor Industry. He has been instrumental in scaling operations and possess exceptional Leadership qualities besides proving his mettle in Team Building, Production Planning & Control and Resource Management.
List of other Directorships held excluding foreign companies, Companies under Section 8 of the Companies Act, 2013 and Private Companies	Nil
Chairman / Member of the Committees of the Board of other Companies in which he is a Director	Nil
No. of shares held in the Company	10,000

Directors' Report

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

1. Financial Highlights/Performance

Rs in lakhs

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

Company's performance

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

2 Dividend

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

The Global Semiconductor Industry:

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

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

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