



Aug 6, 2024

BSE LIMITED
Department of Corporate Affairs
Phiroze Jeejeebhoy Tower
Dalal Street
Mumbai-400001

Dear Sir/Madam,

Scrip Code:517166

Sub: **Intimation of Annual Report for the financial year 2023-24 under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

In Compliance with Regulation 30, 34 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice of the 39th Annual General Meeting (AGM) and Annual Report for the financial year ended 31st March 2024.

The Annual Report and Notice is available on the Company's website at <http://natronix.net/SPEL.html>.

We request you to take the above information on your record.

Thanking you,
Yours sincerely,

For SPEL SEMICONDUCTOR LIMITED

PALANICHAMY BALAMURUGAN
(DIN: 07480881)
WHOLE TIME DIRECTOR



SPEL Semiconductor Limited

An IC Assembly & Test Company

39th Annual Report Financial Year 2023- 24

Defining the Future through Partnerships

**Board of Directors**

1. Mr.S.Chandramohan	Independent Director
2. Dr.Enakshi Bhattacharya	Independent Director
3. Mr.E. Nakkeeran	Non-Executive - Non Independent Director
5. Mr. P. Balamurugan	Whole-Time Director
6. Mr. Ramanujam Venkatesh (Appointed w.e.f 17.06.2024)	Independent Director
7. Ms. Venkatasubramanian V Meenakshi (Appointed w.e.f 24.06.2024)	Additional Director
8. Mr. Ravikumar Krishnasamy (Ceased as Director w.e,f 14.6.2024)	Independent Director
9. Mr. Mulloth Jayasankar (Ceased as Director w.e,f 01.6.2024)	Non-Executive - Non Independent Director

Company Secretary

Mr. Sankaranarayanan Sivaraman (ceased w.e.f 31.5.2024)

Chief Financial Officer

Mr. G. Venkatesan

Auditors

M/s. Venkatesh & Co.,
Chartered Accountants
(FRN:004636S),
"Sri Ranga", New No. 151, Mambalam High Road,
T. Nagar, Chennai- 600 017.

Registered Office & Factory

5, CMDA Industrial Estate,
Maraimalai Nagar,
Chennai- 603209, India

Bankers Indian Overseas Bank**Registrar & Share Transfer Agent****Cameo Corporate Services Limited**

Subramanian Building, 1, Club
House Road, Anna Salai, Chennai - 600002
Phone: +91-44-4002 0700
Online Investor Portal:
<https://wisdom.cameoindia.com>
Website: <http://www.cameoindia.com>

General Information

- (a) Company's Corporate Identification Number (CIN): L32201TN1984PLC011434
- (b) Company's Shares Listed at BSE Ltd.
- (c) Company's Shares are mandated for trading in Demat mode.
- (d) ISIN allotted to Company's share is INE252A01019

39th Annual General Meeting Date & Time

28th August, 2024 at 3:00 P.M.

Venue

Through Video Conferencing

Book closure

22nd August 2024 to 28th
August 2024 (both days
inclusive)

Previous 10 Years Performance

Rs. In Lakhs

	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Sales	1,200.41	1,116.46	948.68	1,592.11	36,53.74	2,633.74	4,166.31	3,553.22	2,585.04	4,719.37
PBIDT	(115.86)	1,090.40	(89.63)	(17.36)	778.22	(301.68)	86.31	(2,298.94)	(986.62)	1,368.29
Finance Cost	257.02	256.12	121.94	116.45	142.61	2,84.37	289.16	215.67	304.40	404.29
PBDT	(372.88)	834.37	32.31	(413.89)	635.61	(586.05)	(202.85)	(2,514.61)	(1,291.02)	964.00
Depreciation	287.91	394.95	469.23	430.44	498.24	514.81	630.57	693.33	1,071.32	1,012.40
PBT	(1,636.96)	(451.77)	(1,247.81)	(844.33)	137.37	(1,100.86)	(833.42)	(3,207.94)	(2,362.34)	(48.40)
Tax Expense	41.78	142.87	28.93	19.17	29.29	(27.28)	13.64	(147.54)	(383.33)	(13.18)
PAT	(1,678.74)	(308.90)	(1,276.74)	(863.50)	108.08	(1,073.58)	(847.06)	(3,060.40)	(1,979.00)	(35.22)
Net Profit	(1,678.74)	(308.90)	-1276.74	(863.50)	108.08	(1,073.58)	(847.06)	(3,060.40)	(1,979.00)	(35.22)

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AGM NOTICE

Notice is hereby given that the **39th Annual General Meeting of the Members of SPEL Semiconductor Limited will be held on Wednesday the 28th August, 2024 at 3:00 P.M. (IST)** through Video Conferencing (“VC”) /Other Audio –Visual Mechanism (“OAVM”) to transact the following business :

Ordinary Business:

1. Adoption of Audited Financial Statements

To receive, consider and adopt the Balance Sheet as at Mar 31, 2024 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. To appoint a Director in the place of Mr. Palanichamy Balamurugan (DIN: 07480881) who retires by rotation and being eligible, offers himself for re-appointment:

To appoint a Director in place of Mr. Palanichamy Balamurugan (DIN: 07480881), who retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment.

Special Business:

3. Appointment of Ms. Meenakshi Jayakumar (DIN: 10680038) as Non-Executive/Non-Independent Director of the Company:

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT**, pursuant to provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Board of Directors, Ms. Meenakshi Jayakumar (DIN: 10680038), be and is hereby appointed as a Non-Executive/ Non Independent Director, liable to retire by rotation, on such terms and conditions as may be mutually decided between the Board and Ms. Meenakshi Jayakumar (DIN: 10680038).”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Directors of the Company be and are hereby severally authorized on behalf of the Company, to do all such acts ,deeds and things as they deem necessary and incidental for the purpose of giving effect to the aforesaid resolution.”

4. Appointment of Mr.Swaminathan Chandramohan (DIN: 00052571) as an Independent Director for a second period of five years

To consider and if thought fit, to pass the following resolution as a **Special 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.Swamnathan Chandramohan, (holding DIN 00052571), 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 appointed as an Independent Director of the Company for the second term with effect from February 11, 2024 and upto February 10, 2029 not liable to retire by rotation.”

5. Appointment of Mr. Venkatesh Ramanujam (DIN: 07242631) as an Independent Director for a period of five years

To consider and if thought fit, to pass the following resolution as a **Special 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. Venkatesh Ramanujam (DIN: 07242631), 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 appointed as an Independent Director of the Company for the first term with effect from June 17th, 2024 and upto June 16, 2029 not liable to retire by rotation.”

6. Approving the modification in the terms of Debenture by altering the nature of Debentures from Non-convertible Debentures to Convertible Debentures and alteration in Debenture trust deed thereon and on Debenture Trustee and to convert Convertible Debentures into Non Convertible cumulative Preference Shares of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT, pursuant to the provisions of the Companies Act, 2013 and the applicable rules thereunder and provisions of SEBI Act, guidelines and regulations thereunder for the time being in force and listing regulations as applicable (including any statutory amendments, modifications or reenactments thereof for the time being in force) and in terms of articles of association of the Company and the paragraph 47 of the debenture trust deed dated 03.10.2016 and subject to such approvals, sanctions or permissions of the appropriate authorities, if required, and such other terms and conditions as agreed by the Board of Directors of the Company (Hereinafter referred to as “Board”) , the approval of the Members be and is hereby accorded to the Board of Directors to alter the nature of the 7,00,000 debentures having nominal value of Rs. 100/- each from Non-Convertible Debentures to Convertible Debentures and subsequent alteration in debenture trust deed thereon and on Debenture Trustee”.

RESOLVED FURTHER THAT, pursuant to the provisions of Section 71 of the Companies Act, 2013 and the applicable rules thereunder and provisions of SEBI Act, guidelines and regulations thereunder for the time being in force and listing regulations as applicable (including any statutory amendments , modifications or reenactments thereof for the time being in force) and in terms of articles of association of the Company and the paragraph 47 of the debenture trust deed dated 03.10.2016 and subject to such approvals, sanctions or permissions of the appropriate authorities, if required, and such other terms and conditions as agreed by the Board of Directors of the Company (Hereinafter referred to as “Board”) , the approval of the Members be and is hereby accorded to the Board of Directors to convert the aforesaid 7,00,000 Convertible Secured Debentures of nominal value of Rs. 100 each into 7,00,000 Non Convertible cumulative Preference Shares of nominal value of Rs. 100 each”

RESOLVED FURTHER THAT, Board of Directors are hereby authorised to finalise with the lender on terms of aforesaid conversion into Non Convertible cumulative Preference Shares

RESOLVED FURTHER THAT, Board of Directors are hereby authorised to do such acts, deeds and things which are necessary to give effect to the above conversion including but not limited to filing of necessary forms with the Ministry of Corporate Affairs and stock exchanges

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem expedient, necessary, fit or proper in connection therewith or incidental thereto and to settle all/any questions, doubts or difficulties which may arise in this regard.”

7. Issuance of preference shares by converting 6, 00, 00,000 (Rs. Six crores only) of unsecured loan borrowed from Mr. A.C.Muthiah.

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 and the applicable rules thereunder and the Rules made thereunder and provisions of the SEBI Act, 1992 and rule, regulations, guideline etc. made, issued thereunder and the Listing Regulations, as applicable (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in terms of the Articles of Association of the Company, if any, and subject to such approvals, permissions, sanctions of the appropriate authorities, if required, and on such other terms and conditions as agreed by Board of Directors of the Company (herein after referred to as Board which term shall also include a Committee of Director exercising the powers conferred by the Board), consent of the Members of the Company be and is hereby accorded to Board of Directors to convert unsecured loan of Rs.6,00,00,000/- (Rupees Six Crores only) taken Mr. A.C.Muthiah into 6,00,000 (Six lakhs only) of Non Convertible cumulative Preference Shares of Rs.100 each.

RESOLVED FURTHER THAT the Board of Director of the Company be and is hereby authorized to finalise with the lender the terms of the aforesaid conversion of unsecured loan into the Non Convertible cumulative Preference Shares

RESOLVED FURTHER THAT, Board of Directors are hereby authorised to do such acts, deeds and things which are necessary to give effect to the above conversion including but not limited to filing of necessary forms with the Ministry of Corporate Affairs and stock exchanges

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem expedient, necessary, fit or proper in connection therewith or incidental thereto and to settle all/any questions, doubts or difficulties which may arise in this regard.”

8. Cancellation of unissued equity shares and simultaneously creating preference shares

To consider and if thought fit, to pass the following resolution as an **"Special Resolution"**:-

“RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory amendment, modification or re-enactment thereof, for the time being in force), consent of the members be and is hereby accorded to cancel the unissued equity share capital of the Company amounting to Rs. 13,00,00,000/- (Rupees Thirteen Crores only) comprising of 1,30,00,000 (One Crore Thirty Lakhs Only) Equity Shares of Rs.10/- each from the existing authorized share capital of the Company standing at Rs. 60,00,00,000/- (Rupees Sixty Crores Only) comprising of 6,00,00,000/- (Six Crores Only) Equity Shares of Rs. 10/- each.”

“RESOLVED FURTHER THAT to reclassify the Authorized Capital as Rs. 60,00,00,000/- (Rupees Sixty Crores Only) comprising of Rs. 47,00,00,000/- (Rs. Forty seven Crore Only) divided into 4,70,00,000 Equity Shares of Rs. 10/- each and Rs. 13,00,00,000 divided into 13,00,000 (Thirteen lakhs Only) Preference share of Rs. 100 each.”

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Directors of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem expedient, necessary, fit or proper in connection therewith or incidental thereto and to settle all/any questions, doubts or difficulties which may arise in this regard.”

9. Amendment of Memorandum of Association of the Company

To consider and if thought fit, to pass the following resolution as a **“Special Resolution;**

“RESOLVED THAT existing Clause V of the Memorandum of Association of the Company be and is hereby amended by substituting the following Clause V:

V. The Authorized Share Capital of the Company is Rs. 60,00,00,000/- (Rupees Sixty crores only) comprising of Rs. 47,00,00,000/- (Rs.Forty seven Crore Only) divided into 4,70,00,000 Equity Shares of Rs. 10/- each and Rs. 13,00,00,000 divided into 13,00,000 (Thirteen lakhs Only) Preference share of Rs. 100 each."

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem expedient, necessary, fit or proper in connection therewith or incidental thereto and to settle all/any questions, doubts or difficulties which may arise in this regard."

Place: Chennai

Date:03.08.2024

By order of the Board

For SPEL Semiconductor Limited

Sd/-

P. Balamurugan

Whole Time Director

DIN: 07480881

Notes:

1. The Ministry of Corporate Affairs ('MCA'), inter alia, vide its General Circular No(s). 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being General Circular No. 09/2023 dated September 25, 2023, (collectively referred to as 'MCA Circulars'), has permitted the holding of the AGM through Video Conferencing ('VC') or through Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue. Further, towards this, the Securities and Exchange Board of India ('SEBI'), vide its Circular(s) dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023, October 6, 2023, and October 7, 2023 ('SEBI Circulars') and other applicable circulars issued in this regard from time to time, has provided relaxations from compliance with certain provisions of the SEBI Listing Regulations.
2. In compliance with the applicable provisions of the Act, SEBI Listing Regulations, MCA Circulars and SEBI Circulars, the 39th AGM of the Company will be held through VC/OAVM on Wednesday, August 28, 2024 at 3:00 p.m. (IST). The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company situated 5, CMDA INDUSTRIAL ESTATE, MARAIMALAI NAGAR, Tamil Nadu, India, 603209
3. As the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. 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.
5. 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.
6. 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 05th 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.
7. 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.natronix.net. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at 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>
8. 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, MCACircularNo.2/2021 dated January 13, 2021 and 5th May 2022, December 28, 2022 and 25th September 2023.
9. Notice is being sent through e-mail to all the shareholders as on August 03, 2024 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 <http://wisdom.cameoindia.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. N. Ramanathan, Designated Partner of M/s. S Dhanapal & Associates LLP, Practicing Company Secretaries, Chennai 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 secretarial@csdhanapal.com with a copy marked to 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 22nd August 2024 to 28th August 2024, (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 21st August 2024 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, Cameo Corporate Services 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, 25th August 2024 at 10.00 A.M. (IST) and ends on 27th August 2024 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. 21st August 2024, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
29. 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.
30. 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. 21st August 2024, may obtain the login ID and password by sending a request at <http://wisdom.cameoindia.com>
31. 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 evoting 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.
32. The results declared along with the Scrutinizer's Report shall be placed on the Company's website 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.

33. 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. In respect of Special Business, the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”), is attached with this Notice.
34. 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.

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

The remote e-voting period commences, 25th August 2024 at 10.00 A.M. (IST) and ends on 27th August 2024 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. 21st August 2024, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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 25th August 2024 at 10.00 A.M. (IST) and ends on 27th August 2024 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 of 21st August 2024 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 aforementioned 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 CDSL Depository	<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</p> <p>https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com 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 e-voting is in progress as per the information provided by Company. On clicking the e-voting 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 & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. 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 https://web.cdslindia.com/myeasi/Registration/EasiRegistration</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 www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services</p>

<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<p>Website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com 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</p> <p>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 & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 & voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</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 & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use ForgetUser 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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in 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.
- 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 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:

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

- (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, and 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: pbalamurugan@spel.natronix.net (designated email address of the 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 at least 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 or contact at toll free no. 180022 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 or call toll free no. 1800 22 55 33. (East), Mumbai – 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022- 23058542/43.

- i. 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.
- ii. 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.
- iii. The voting rights of the Members shall be in proportion to their share of the paid-up Equity ShareCapital of the Company as on the cut-off date of 21st August **2024**. 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 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 2023 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, at least 48 hours in advance before the start of meeting i.e. by 26th August **2024**, 11:00AM.(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 ca@spel.com, at least 48 hours in advance before the start of meeting i.e. by 26th August **2024**, before 11:00 A.M. (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.

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 14.00 hours to 16.00 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

Dissemination of AGM Notice & Annual Report: Electronic copy of the Annual Report for the financial year 2023 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 2023 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 2024 and AGM Notice of the Company, may send request to the email address at <http://wisdom.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.

Members may also note that the Annual Report and the AGM Notice are available on the Company's website: www.natronix.net. Additionally, these can be accessed on the websites of the Stock Exchanges i.e. BSE Limited at 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.

The Company has appointed Mr. N. Ramanathan, Designated Partner of M/s. S Dhanapal & Associates LLP, Practicing Company Secretaries, Chennai as the scrutinizer to scrutinize the e-voting at AGM and remote e-voting process in a fair and transparent manner.

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.

The Results declared along with the Report of the Scrutiniser shall be placed on the website of the Company 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:03.08.2024

By order of the Board

For SPEL Semiconductor Limited

Sd/-

P. Balamurugan

Whole Time Director

DIN: 07480881

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:

Name of the Director	Ms. Meenakshi Jayakumar	Mr. Swaminathan Chandramohan	Mr. Venkatesh Ramanujam
DIN	10680038	00052571	07242631
Date of Birth	31-07-1975	22-06-1951	24-06-1959
Original Date of Appointment	24.06.2024	11.02.2019	29.05.2024
Qualification	Ph.D ,M.Phil, M.Sc., Guidance & Counselling, M.A. Music	Chemical Engineer from Annamalai University and Post graduate in Business Management from Madras University	ACA, BSc
Expertise in specific functional areas	Principal of m industry from 09 2016 till date.	He has 40 years of experience in Fertilizers Industry. He was instrumental in the development and implementation of various augmentation and diversification projects including overseas joint ventures.	Experienced CFO with proved record of establishing cross – functional partnerships to deliver stellar results. Agile global strategic leader driving operations within Construction, Automobile, Manufacturing industries. Accountable for multi – million dollar budgets and allocating resources to exceed profit and revenue goals. Particularly adept at streamlining, reorganizing and leading large, global teams productively.
List of other Directorships held excluding foreign companies, Companies under Section 8 of the Companies Act, 2013 and Private Companies	Nil	Nil	Nil
Chairman / Member of the Committees of the Board of other Companies in which he is a Director	Nil	Nil	Nil
No. of shares held in the Company	0	0	0

Explanatory Statement pursuant to section 102 of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and secretarial Standard–2, containing material facts in respect of item of Special Business set out in this Notice:

Item No. 3

Ms. Meenakshi Jayakumar (DIN: 10680038) who was appointed as an Additional Director in the capacity of Non-Executive Director in the Board of Directors of the Company, with effect from 24.06.2024 to hold office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013. Ms. Meenakshi Jayakumar was inducted into the Board of Directors of the Company to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk Management as well as ensuring high standard of corporate governance. The other details of Ms. Meenakshi JAYAKUMAR (DIN: 10680038.) in terms of Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard 2 is annexed to this Notice. Ms. Meenakshi Jayakumar is not related to any of the Directors of the Company.

In terms of sub-section (5) of Section 152 of the Act, Ms. Meenakshi Jayakumar has given her consent to hold the office as Director in the capacity of Non-Executive/Non Independent Director and the Board of Directors is of the opinion that Ms. Meenakshi Jayakumar fulfils the conditions specified in the Act for her appointment as Non-Executive Director. After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Ms. Meenakshi Jayakumar vast knowledge and varied experience will be of great value to the Company and recommends the Resolution at Item No. 3 of this Notice relating to the appointment of Ms. Meenakshi Jayakumar as a "Non-Executive/Non Independent Director", liable to retire by rotation, for the approval of the Shareholders.

Except Ms. Meenakshi Jayakumar, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 3 of this Notice.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to the date of the Meeting.

The Board recommends the Ordinary Resolution as set out at item no. 3 for approval by the Members.

Item No. 4

Mr. Swaminathan Chandramohan (DIN: 00052571) was re-appointed as an Independent Director of the Company by the Board of Directors at its Meeting held on 29-05-2024 for a further period of five years from February 11, 2024 and upto February 10, 2029.

A brief profile of Mr. Swaminathan 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 KanchiKamakoti 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.Swaminathan 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) of the Act.

Accordingly, under Section 149 & 152(5) read with Schedule IV of the Act, the appointment of Mr.Swaminathan Chandramohan as Independent Director is placed before the Members in the General Meeting for approval.

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

Except Mr.Swaminathan 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.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to the date of the Meeting.

The Board recommends the Special Resolution as set out at item no. 4 for approval by the Members.

Item No. 5

Mr. Venkatesh Ramanujam (DIN: 07242631) was appointed as Additional Director of the Company by the Board of Directors at its Meeting held on 29.05.2024 pursuant to 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. Venkatesh Ramanujam (DIN: 07242631) is given herein for the information of Shareholders.

He is Associate Member of the Institute of Chartered Accountants of India and completed B.Sc.- Physics, First Class Degree from University of Madras.He is an Experienced CFO with proved record of establishing cross – functional partnerships to deliver stellar results. Agile global strategic leader driving operations within Construction, Automobile, Manufacturing industries. Accountable for multi – million dollar budgets and allocating resources to exceed profit and revenue goals. Particularly adept at streamlining, reorganizing and leading large, global teams productively.

He has worked from May 15 to May 17 CFO at L&T Hydrocarbon Engineering Ltd includes Board positions in seven of its subsidiaries, from Jun 14 to Apr 15 Vice President – (F&A) International Finance L&T Hydrocarbon Engineering Ltd, from Oct 12 to Jun 14 as a CFO at L&T Shipbuilding Ltd,

from Oct 10 to Sep 12: MIPIC corporate office Controlling Nine Subsidiary & Associate companies & Seven strategic business units – Annual division sales is INR 6000 crores.

from Dec 09 to Dec 10: CFO for Audco India Ltd a JV Company of L & T, From Oct 07 to Nov 09: CFO for a strategic Business Unit & Joint venture Company.

And From Oct 07 to 1 July 19 in Larsen & Toubro Limited as Vice President-Indirect Tax (Construction Services) – Last held position from June 2017 In charge for indirect Taxes- construction services, including implementation of GST

Key Performance Indicators:

- Buyback of shares saved INR 300 Lks
- Indirect taxes planning saved INR 350 Lks
- Negotiations of wage agreement
- Turnaround of loss-making Company into profitable Company
- Involved in anti-dumping duty implementation
- Key contribution in working capital Management
- Involved in Various strategic business initiatives.
- Participate in division Board meetings

- Risk officer for the division
- Involved in budget, direct/ indirect taxes & Treasury
- Implementation of GST

In the opinion of the Board, Mr. Venkatesh Ramanujam 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 IV of the Act, the appointment of Mr. Venkatesh Ramanujam as Independent Director is placed before the Members in the General Meeting for approval. The Board recommends the election of Mr. Venkatesh Ramanujam as a Director not liable to retire by rotation, for the approval of the Shareholders.

Except Mr. Venkatesh Ramanujam, 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

The Company entered into a Debenture trust deed with SBICAP TRUSTEE COMPANY LIMITED on 03.10.2016 to raise an amount of Rs. 7 crores by way of issue of Non-Convertible debentures.

The Board discussed on modification in the terms of Debenture trust deed by altering the nature of Debentures from Non-Convertible Debentures to Convertible Debentures and alteration in debenture trust deed thereon and on Debenture Trustee in the meeting held on 29.05.2024.

Pursuant to the provisions of the Companies Act, 2013, any other applicable laws for the time being in force and the paragraph 47 of the debenture trust deed dated 03.10.2016, the approval of members is required to alter the nature of Debentures from Non-Convertible Debentures to Convertible Debentures and alteration in debenture trust deed thereon and on Debenture Trustee.

The Board of Directors of the Company at the meeting held on 29.05.2024 approved the conversion of Convertible Debentures in to Non-Convertible cumulative Preference Shares of the Company.

Pursuant to the provisions of the Companies Act, 2013, any other applicable laws for the time being in force the approval of members is required to convert the Convertible Debentures in to Non-Convertible cumulative Preference Shares of the Company.

Hence, the resolution is placed before the members in the general meeting for their approval.

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. 6.

Item No. 7:

The Company took loan from Mr. A.C.Muthiah for Rs. 6,00,00,000 (Rs. Six crores only). The Company has proposed to convert unsecured loan of Rs.6,00,00,000/- (Rupees Six Crores only) taken Sr. Mr. A.C.Muthiah into 6,00,000 (Six lakhs only) of Non Convertible cumulative Preference Shares of Rs.100 each.

Pursuant to the provisions of the Companies Act, 2013, any other applicable laws for the time being in force the approval of members is required to convert unsecured loan of Rs.6,00,00,000 /- (Rupees Six Crores only) taken Mr. A.C.Muthiah into 6,00,000 (Six lakhs only) of Non Convertible cumulative Preference Shares of Rs.100 each.

Hence, the resolution is placed before the members in the general meeting for their approval.

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. 7.

Item no. 8 and 9:

The Company has passed a Board resolution dated 29.05.2024 to convert its Convertible Debentures in to Non Convertible cumulative Preference Shares of the Company. The current authorized share capital of the Company only includes equity shares and hence there arises a need to amend the authorized share capital clause of the Memorandum of Association of the Company. The Company also proposes to convert unsecured loan of Rs.6,00,00,000 /- (Rupees Six Crores only) taken from Mr. A.C.Muthiah into 6,00,000 (Six lakhs only) of Non Convertible cumulative Preference Shares of Rs.100 each.

According to the provision of the section 13 of the Act the amendment of the Capital clause of the MOA, must be approved by the Members of the Company. Hence the consent of the Members is sought for passing for above items for alteration of Memorandum of Association.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No.8 and 9 of this Notice.

Place: Chennai

Date:03.08.2024

By order of the Board

For SPEL Semiconductor Limited

Sd/-

P. Balamurugan

Whole Time Director

DIN: 07480881

Directors' Report

Your Directors present the **39th Annual Report** of the Company together with the Audited Accounts for the year ended Mar 31, 2024. Financial Highlights / Performance/ the Operating results of your Company as per IndAS Financial Statements for the year ended Mar 31, 2024 are given below:

Financial Highlights/Performance

Rs in lakhs

Particulars	Year ended	Year ended
	Mar 31, 2024	Mar 31, 2023
Sales	1,200.41	1,116.46
Other Income	140.96	696.10
PBIDT	(115.86)	1,090.49
Finance Cost	257.02	256.12
Depreciation	287.91	394.95
Profit / (Loss) before Before Exceptional items	(660.78)	439.42
Less: Exceptional items	(976.18)	891.19
Profit / (Loss) before Tax	(1,636.96)	(451.77)
Tax Expense	41.78	142.87
Profit / (Loss) after Taxation	(1,678.74)	(308.90)

Company's performance

The turnover of the Company has increased to Rs.1200.41 Lakhs as compared toRs.1116.46 Lakhs in 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 2024-25. The outlook for FY 2024-25 is good and SPEL has plans to introduce new Customers from Europe &US regions.

Dividend

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

The Global Semiconductor Industry Market:

About Semiconductor Industry:

The global semiconductor industry encompasses the design, manufacture, and sale of semiconductor chips or integrated circuits (ICs) used in various electronic devices and applications. It plays a critical role in enabling technological advancements across a wide range of sectors, including consumer electronics, telecommunications, automotive, industrial automation, healthcare, and more. Here's an overview of the global semiconductor industry market:

Market Size and Growth: The global semiconductor industry is substantial, with billions of dollars in annual

revenue. According to various industry reports, the semiconductor market has experienced consistent growth over the years, driven by increasing demand for semiconductor chips in electronic devices and emerging technologies like IoT, AI, 5G, and automotive electronics.

Key Players: The semiconductor industry is highly competitive and includes a mix of established players and newer entrants. Some of the leading semiconductor companies globally include Intel Corporation, Samsung Electronics, Taiwan Semiconductor Manufacturing Company (TSMC), SK Hynix, Qualcomm, Broadcom Inc., NVIDIA Corporation, Texas Instruments, and Advanced Micro Devices (AMD), among others.

Technology Trends: Technological advancements drive innovation and growth in the semiconductor industry. Key technology trends shaping the industry include the ongoing miniaturization of semiconductor chips through advanced process nodes (such as 7nm, 5nm, and beyond), the development of specialized chips for AI, machine learning, and edge computing, the transition to 5G wireless technology, and the proliferation of IoT devices.

Market Segments: The semiconductor market comprises various product segments, including microprocessors, memory chips (DRAM, NAND flash, etc.), analog and mixed-signal ICs, logic chips, sensors, and optoelectronic components. Each segment serves different applications and industries, contributing to the overall growth of the semiconductor market.

Regional Dynamics: The semiconductor industry has a global footprint, with significant manufacturing and consumption centers in regions such as Asia-Pacific (including Taiwan, South Korea, China, and Japan), North America, and Europe. Asia-Pacific, particularly Taiwan and South Korea, is a major hub for semiconductor manufacturing, while North America houses many leading semiconductor design companies.

Regulatory and Environmental Factors: The semiconductor industry is subject to various regulations related to intellectual property rights, trade, export controls, and environmental standards. Compliance with regulations and standards, as well as managing environmental impacts associated with semiconductor manufacturing processes, are important considerations for industry players.

Supply Chain Challenges: The semiconductor industry relies on a complex global supply chain involving raw materials, equipment suppliers, foundries, assembly and test facilities, and distribution networks. Supply chain disruptions, such as shortages of critical components, geopolitical tensions, natural disasters, and trade restrictions, can impact semiconductor production and lead to market uncertainties.

Overall, the global semiconductor industry is dynamic and continuously evolving, driven by technological innovation, market demand, competitive dynamics, and macroeconomic factors. Staying abreast of industry trends, investing in R&D, maintaining supply chain resilience, and adapting to changing market conditions are essential for semiconductor companies to succeed in this highly competitive landscape.

Industry Outlook :

Global semiconductor industry is one of the most dynamic and crucial sectors in modern technology. Here's an outlook based on recent trends and projections:

Continued Growth: The semiconductor industry has been experiencing steady growth over the past few decades, driven by increasing demand for electronics in various sectors such as automotive, healthcare, telecommunications, and consumer electronics.

Technological Advancements: Technological advancements, particularly in areas like artificial intelligence (AI), Internet of Things (IoT), 5G connectivity, and autonomous vehicles, are driving the demand for more

advanced semiconductor chips. This is leading to increased investments in research and development by semiconductor companies to stay competitive.

Supply Chain Challenges: The industry has faced challenges related to supply chain disruptions, including shortages of raw materials, logistics issues, and geopolitical tensions. These challenges have been exacerbated by the COVID-19 pandemic but have also highlighted the need for more resilient supply chains and localization of manufacturing.

Rise of AI and IoT: The proliferation of AI and IoT applications is driving demand for specialized semiconductor chips optimized for tasks such as machine learning, edge computing, and sensor integration. This trend is expected to continue as more industries adopt AI and IoT technologies.

Emerging Technologies: Emerging technologies like quantum computing, silicon photonics, and advanced memory solutions hold the potential to disrupt the semiconductor industry and open up new opportunities for innovation and growth.

Environmental Sustainability: There's an increasing focus on environmental sustainability within the semiconductor industry, with companies investing in energy-efficient manufacturing processes, recycling initiatives, and reducing their carbon footprint.

Geopolitical Dynamics: Geopolitical tensions, particularly between the US and China, have led to concerns about supply chain security and intellectual property protection. This has prompted some countries to invest in domestic semiconductor production and diversify their supply chains.

Investments and Mergers: The industry is witnessing significant investments in semiconductor manufacturing capacity, particularly in advanced nodes like 7nm and below. Mergers and acquisitions are also common as companies seek to consolidate their market positions and acquire specialized technology and talent.

Overall, while the semiconductor industry faces various challenges, including supply chain disruptions and geopolitical tensions, it remains a critical enabler of technological innovation and economic growth globally. Continued advancements in technology and strategic investments will likely drive future growth and evolution in the industry.

Semiconductor Industry Growth:

The global semiconductor market size was valued at USD 611.35 billion in 2023 and is projected to grow from USD 681.05 billion in 2024 to USD 2062.59 billion by 2032, exhibiting a CAGR of 14.9% during the forecast period (2024-2032).

A. Market Drivers

The semiconductor industry is influenced by a variety of market drivers, including technological advancements, global economic conditions, industry trends, and consumer demand. Here are some of the key market drivers in the semiconductor industry:

Technological Innovation: Advances in semiconductor technology, such as smaller transistor sizes, improved performance, and increased energy efficiency, drive demand for new semiconductor products. Emerging technologies like artificial intelligence (AI), Internet of Things (IoT), 5G connectivity, and autonomous vehicles require specialized semiconductor solutions, creating opportunities for companies that can innovate in these areas.

Consumer Electronics Demand: The proliferation of smartphones, tablets, laptops, and other consumer electronic devices fuels demand for semiconductor chips. As consumers seek devices with enhanced features, longer battery life, and better performance, semiconductor manufacturers must continually innovate to meet these demands.

Data Center Growth: The expansion of cloud computing, big data analytics, and artificial intelligence applications drives demand for semiconductor chips used in data centers. Companies require high-performance processors, memory, and networking chips to support increasingly complex workloads, creating opportunities for semiconductor vendors that can provide efficient and scalable solutions.

Automotive Electronics: The automotive industry is undergoing a digital transformation, with semiconductor content per vehicle increasing as cars become more connected, electrified, and autonomous. Semiconductor chips are used in various automotive systems, including infotainment, advanced driver-assistance systems (ADAS), power train control, and vehicle electrification, driving demand for specialized automotive-grade semiconductor solutions.

Industrial IoT and Automation: The adoption of Industrial Internet of Things (IIoT) technologies and automation in industries such as manufacturing, healthcare, and logistics requires semiconductor chips for sensors, controllers, actuators, and communication modules. As industries digitize and automate processes to improve efficiency and productivity, demand for semiconductor solutions tailored for industrial applications grows.

Global Economic Conditions: Macroeconomic factors such as GDP growth, trade policies, currency fluctuations, and geopolitical tensions impact semiconductor demand and supply chain dynamics. Economic downturns can lead to reduced consumer spending and business investment, affecting semiconductor sales, while economic recovery and expansion typically drive increased demand for electronic devices and semiconductor chips.

Supply Chain Constraints: Semiconductor manufacturing is a complex global supply chain with dependencies on raw materials, equipment, and skilled labor. Disruptions in the supply chain, such as natural disasters, geopolitical tensions, trade restrictions, or semiconductor manufacturing process node transitions, can lead to shortages, supply constraints, and price fluctuations in the semiconductor market.

Understanding and effectively navigating these market drivers is crucial for semiconductor companies to stay competitive, innovate, and capitalize on growth opportunities in the dynamic semiconductor industry landscape.

B. Semiconductor Mergers:

Here are some recent semiconductor Company mergers:

NVIDIA and Arm Holdings (Proposed): NVIDIA announced its intention to acquire Arm Holdings from SoftBank Group in September 2020 for \$40 billion. However, the deal has faced significant regulatory scrutiny and is yet to be finalized.

AMD and Xilinx: In October 2020, AMD announced its acquisition of Xilinx for \$35 billion. This merger brings together AMD's expertise in CPUs and GPUs with Xilinx's strengths in FPGA and adaptive SoC technology, positioning the combined entity for growth in the data center and other markets.

Marvell Technology Group and Inphi Corporation: In October 2020, Marvell announced its acquisition of Inphi Corporation for \$10 billion. This deal combines Marvell's networking and storage solutions with Inphi's high-speed data connectivity technology, enhancing Marvell's capabilities in cloud data centers and 5G

infrastructure.

Analog Devices and Maxim Integrated: In July 2020, Analog Devices announced its acquisition of Maxim Integrated for \$21 billion. This merger creates a powerhouse in the analog semiconductor industry, offering a broad portfolio of products for automotive, industrial, and consumer markets.

Advanced Micro-Fabrication Equipment Inc. (AMEC) and Applied Materials (Proposed): In September 2021, Applied Materials announced its intention to acquire AMEC for \$9.3 billion. AMEC is a Chinese semiconductor equipment manufacturer specializing in advanced process technologies, and this acquisition would expand Applied Materials' presence in China.

These recent mergers reflect the ongoing trend of consolidation in the semiconductor industry as companies seek to strengthen their competitive positions, expand their product portfolios, and capitalize on emerging market opportunities.

C. Outsourced Assembly and Test (OSAT) Industry

The Outsourced Semiconductor Assembly and Test (OSAT) industry plays a crucial role in the semiconductor supply chain by providing packaging and testing services for semiconductor companies. Here's an outlook on the OSAT industry:

Market Growth: The OSAT industry is expected to continue growing, driven by increasing demand for semiconductor packaging and testing services. As semiconductor companies focus on chip design and outsource packaging and testing to specialized OSAT providers, the demand for OSAT services is expected to rise.

Rising Demand for Advanced Packaging Technologies: The growing complexity of semiconductor chips, driven by trends such as heterogeneous integration, AI, 5G, and IoT, is driving demand for advanced packaging technologies. OSAT companies are investing in advanced packaging solutions such as fan-out wafer-level packaging (FOWLP), 2.5D/3D packaging, and system-in-package (SiP) to meet the requirements of next-generation devices.

Technological Innovation: OSAT providers are investing in research and development (R&D) to develop new packaging and testing technologies, improve process efficiency, and meet the evolving needs of semiconductor customers. Innovation in areas such as wafer-level packaging, flip-chip bonding, and advanced testing techniques is essential for maintaining competitiveness in the OSAT industry.

Diversification of Services: OSAT companies are expanding their service offerings beyond traditional packaging and testing services to provide value-added solutions such as design services, wafer probing, failure analysis, and supply chain Management. Diversification allows OSAT providers to offer comprehensive solutions and capture a larger share of the semiconductor value chain.

Focus on Sustainability: With increasing environmental and regulatory pressures, OSAT companies are prioritizing sustainability initiatives such as energy efficiency, waste reduction, and recycling. Adopting environmentally friendly manufacturing processes and materials not only reduces environmental impact but also enhances corporate reputation and customer loyalty.

Market Consolidation: The OSAT industry is witnessing consolidation as companies seek to expand their market presence, achieve economies of scale, and enhance competitiveness. Mergers and acquisitions allow OSAT providers to diversify their customer base, gain access to new technologies, and strengthen their position in the global market.

Geopolitical Factors: Geopolitical tensions and trade policies can impact the OSAT industry by affecting supply chain dynamics, trade relationships, and market access. OSAT companies need to navigate geopolitical risks, diversify their manufacturing footprint, and establish resilient supply chains to mitigate disruptions and ensure business continuity.

Overall, the OSAT industry is expected to experience steady growth driven by increasing semiconductor demand, technological advancements, diversification of services, and focus on sustainability. As semiconductor companies continue to outsource packaging and testing services to specialized OSAT providers, the OSAT industry will play an essential role in enabling innovation and driving efficiency in the semiconductor supply chain.

D. The Indian Semiconductor Industry

The Indian semiconductor industry has been experiencing significant growth and development in recent years. It plays a crucial role in the country's electronics manufacturing sector and contributes to the advancement of various high-tech industries. Here is an overview of the Indian semiconductor industry:

Market Size and Growth: The semiconductor industry in India has seen significant growth, driven by increasing demand for electronic devices, rising disposable incomes, and government initiatives such as Make in India and Digital India. According to industry reports, the Indian semiconductor market is expected to continue growing, driven by sectors such as consumer electronics, automotive, telecommunications, and industrial automation.

Design and R&D: India has emerged as a hub for semiconductor design and research and development (R&D) activities. Several multinational semiconductor companies have established design centers in India to leverage the country's talent pool of engineers and scientists. Indian companies are also increasingly investing in semiconductor design capabilities and developing intellectual property (IP) for domestic and global markets.

Manufacturing: While India has made strides in semiconductor design and R&D, semiconductor manufacturing in the country is still at a nascent stage. However, there have been efforts to promote semiconductor manufacturing through initiatives such as the Production Linked Incentive (PLI) scheme for electronics manufacturing. Companies like Intel, Samsung, and others have expressed interest in setting up semiconductor manufacturing facilities in India, which could boost the domestic manufacturing ecosystem.

Ecosystem Development: The Indian government and industry stakeholders are actively working to strengthen the semiconductor ecosystem in the country. This includes investments in infrastructure, skill development initiatives, promoting research collaborations between academia and industry, and facilitating partnerships with global semiconductor companies.

Startups and Innovation: India's vibrant startup ecosystem is also contributing to innovation in the semiconductor industry. Several startups are working on cutting-edge semiconductor technologies, including AI chips, IoT devices, and semiconductor IP cores. Government support through initiatives like Startup India and Atal Innovation Mission has encouraged entrepreneurship and innovation in the semiconductor space.

Challenges: Despite the growth opportunities, the Indian semiconductor industry faces several challenges, including infrastructure limitations, skilled labor shortages, regulatory complexities, and global competition. Addressing these challenges requires concerted efforts from industry stakeholders, government agencies, and academia to create a conducive environment for semiconductor manufacturing and innovation.

Overall, the semiconductor industry in India holds immense potential for growth, driven by the country's

large and growing market, strong engineering talent pool, and supportive government policies. With continued investments in infrastructure, talent development, and ecosystem support, India has the opportunity to further establish itself as a significant player in the global semiconductor landscape.

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

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

Transfer to Reserves

There were no transfers made to any Reserves during the Year.

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.

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 and investment is impaired fully. The financial statements had been given effect accordingly.

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.

Statutory Auditors

M/s. Venkatesh & Co., Chartered Accountants (FRN:004636S) shall hold office as Statutory Auditors of the Company till the conclusion of the ensuing Annual General Meeting. As per the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Board, upon the recommendation of the Audit Committee, in its Meeting held on June 27, 2023 recommended the appointment of M/s. Venkatesh & Co., Chartered Accountants (FRN:004636S) as the Statutory Auditors of the Company for a further period of 4 consecutive years, to hold office from the conclusion of the 38th Annual General Meeting till conclusion of the 42nd Annual General Meeting to be held in the year 2027. M/s. Venkatesh & Co., Chartered Accountants (FRN:004636S) have confirmed their eligibility and willingness to hold office as Statutory Auditors of the Company. The Board recommends aforementioned appointment in the forthcoming Annual General Meeting of the Company.

1. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.
2. The Auditors' Report on the Financial Statements of the Company for the financial year ended 31st March 2024 is modified i.e., it contains qualification opinion. The Management has provided its remarks on the same in the Statement of Impact of Audit Qualifications submitted along with Annual Audited Financial Results for the quarter and year ended 31.03.2024.

Details in Respect of Frauds Reported by Auditors- Nil

Share Capital

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

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, 2024 will be placed on the website of the Company at <http://www.natronix.net/forms.html>.

Directors and Key Managerial Personnel

As per the provisions of the Companies Act, 2013, Mr. PALANICHAMY BALAMURUGAN (DIN: 07480881), is retiring by rotation, being eligible, offers himself for re-appointment.

Declaration by Independent Directors

The Company has received declarations from all its Independent Directors that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the financial year ended March 31, 2024.

Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

Familiarization Programme for Independent Directors

The Company conducts an orientation program and presents power point presentation for Independent Directors in order to enable them to familiarize with the Company's policies, strategy, operations, product offerings, Organisation structure, human resources, technologies, facilities and risk Management.

Number of meetings of the Board

Six Meetings of the Board were held during the year the details of which are given in the Corporate Governance Report, which forms part of this report.

Audit Committee

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

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

Details of Nomination and Remuneration Policy

Salient features of the Nomination and Remuneration Policy forms part of this report and the detailed policy is hosted placed on the website of the Company at <http://www.natronix.net/html>.

Employees and Managerial Remuneration

The statement of disclosure of remuneration under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules") is provided as part of this Report.

The information as per Rule 5(2) and Rule 5(3) of the Rules, forms part of this Report. However, as per first proviso to Section 136(1) of the Act and Second Proviso to Rule 5 of the Rules, the report and financial statements are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2) and Rule 5(3) of the Rules. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered office of the Company. The said statement is also available for inspection by the members at registered office of the Company during office hours till the date of Annual General meeting.

Managerial Remuneration

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

Formal Annual Evaluation of Board on its own performance, Committees of the Board and the individual Directors

The Board of Directors have not carried out any annual evaluation of its performance, Committees of the Board and the independent Directors pursuant to the provisions of the Act and Corporate Governance as prescribed under Regulation 17 (10) of SEBI (LODR) Regulation 2015 for the financial year ended 31st Mar 2024.

Loans, guarantees or investments

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

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 AOC -2.

Secretarial Audit Report

The Board appointed M/s. MK Madhavan & Associates, Company Secretaries, as the Secretarial Auditor to conduct the Secretarial Audit of the Company during the Financial Year 2023-2024. Secretarial Audit Report is given as annexure, which forms part of this report.

Qualifications in Secretarial Audit Report

The Board of Directors and the Management affirm that the Company has been taking corrective actions to comply with the observations made in the Secretarial Audit Report and the Company has been taking sincere efforts to ensure full compliance with all applicable laws and statutes in letter and spirit.

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. and as per SEBI (LODR) Regulations 2015. A copy of the policy is uploaded in the website of the Company.

Risk Management

The Board of Directors and Senior Management are undertaking measures to identify and monitor the risks faced by the Company and review and evolve the risk mitigation plan. Periodical action is taken to address the major risks identified.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All the employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has not received any complaint on sexual harassment during the financial year ended 31.03.2024.

Compliance with Secretarial Standards

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, issued by the Institute of Company Secretaries of India, relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’, respectively, have been duly followed / complied with by the Company.

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	20242 Units
Savings in Water Consumption	2980 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 : 489 Lakhs

Foreign Exchange earned during the year : 1082.31 Lakhs

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.

Corporate Governance Certificate

The Corporate Governance Certificate from the Auditors or practicing Company secretaries regarding compliance of conditions of Corporate Governance as stipulated in Schedule V, Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with this report.

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 2023-24.

Acknowledgements

Your Directors place on record their gratitude especially to the Promoters, who had assisted significantly towards the recovery path. 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

Date: 29.05.2024

Place: Chennai

Sd/-

**Swaminathan
Chandramohan
Director
DIN: 00052571**

Sd/-

**P. Balamurugan
Whole-Time Director
DIN: 07480881**

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: No material transactions falling under section 188 of the act during the year.

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

Date: 29.05.2024

Place: Chennai

Sd/-

**Swaminathan
Chandramohan
Director
DIN: 00052571**

Sd/-

**P. Balamurugan
Whole-Time Director
DIN: 07480881**

EXTRACTS FROM NOMINATION AND REMUNERATION POLICY

1. Preamble

SPEL Semiconductor Ltd (SPEL) strongly believes that human resources which manage the other resources have infinite potential, and therefore, their development is the key to organizational effectiveness. We commit ourselves to integrate human resources with Organizational growth and development for mutual benefit.

2. Scope

This Nomination and Remuneration Policy of SPEL has been formulated in compliance with Section 178 and other applicable provisions of the Companies Act 2013 read with the applicable rules thereto and re-enactment thereof and applicable regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

3. Objectives

1. To laydown criteria in relation to Appointment and Removal of Directors, Key Managerial Personnel (KMP) and Senior Management
2. To formulate criteria for determining qualification, positive attributes and independence of a Director.
3. To review the elements of the remuneration package, structure of remuneration package for the Directors, KMPs and other Senior Management.
4. To review the changes to remuneration package, terms of appointment, severance fee, requirement and termination policies and procedures.
5. To recommend the shortlisted candidates who are qualified to be Director and who can be appointed in Senior Management position
6. The committee is authorised to seek information about any employee and the management is directed to co-operate.
7. The Committee can be present at the General Meeting to answer the shareholder's queries.
8. Recommendation of success plans for the directors.

4. Definitions

“**Key Managerial Personnel**”, in relation to a Company, means (i) the Chief Executive Officer or Head (Operations) (ii) the whole-time Director; (iii) the Chief Financial Officer; (iv) the Company Secretary and (v) such other officer as may be prescribed under the Companies Act 2013.

“**Nomination and Remuneration Committee**” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and Regulation 19 of SEBI LODR (Listing Obligations & Disclosure Requirements) Regulation, 2015.

“**Senior Management**”: - means executives of the Company who are members of its core Management team excluding Board of Directors & key managerial personnel comprising all members of Management one level below the executive Directors, including the functional heads.

5. Policy

The Nomination & Remuneration Committee (“Committee”) constituted by the Board of Directors of the Company, shall identify, ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level. The Committee has powers to decide whether qualification, expertise and experience possessed by a person are sufficient for such position. The Committee delegates its powers to Human Resources Department of SPEL as regards the Senior Management personnels are concerned.

6. Composition of the Committee

The composition of the Committee is / shall be in compliance with the Companies Act, 2013, Rules made thereunder, and the Rule made under SEBI LDOR Regulations, 2015. There shall be Minimum of 3 Non-Executive Directors out of which two shall be Independent Directors. Chairperson shall be an independent

Director.

1. Executive Directors

The Appointment or Removal of the Executive Directors shall be in accordance with the provisions of the Companies Act 2013 (as amended from time to time) read with the applicable Rules framed under the Companies Act 2013 and also in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

1. Independent Directors

An independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, Management sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business and such other related areas as the Nomination & Remuneration Committee may in its absolute discretion deem fit.

The Independent Directors of the Company shall also be subject to Familiarization Programme for Independent Directors framed by the Company in this regard. The Terms and Conditions for Appointment / Removal of Independent Director shall be as per the Policy framed by the Company in this regard. The criteria followed for Director disqualification / removal shall be as below:

- a) A person of unsound mind.
- b) Become Bankrupt.
- c) Convicted by a court for moral turpitude and sent to prison for not less than 6 months.
- d) Absenteeism from the Board & Committee meetings. consecutively for a period of 12 months.
- e) Participation in illegal activities.
- f) Sharing sensitive and confidential information to an unauthorized person.
- g) Inappropriate / disrespected behaviour during the Board meetings.
- h) Making use of the Company for personal gains.
- i) Violating Code of Ethics of the Company.
- j) Getting associated with the Companies competitors.
- k) Removal by majority of the Shareholders.
- l) he acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- m) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184;

2. KMP, Senior Management and other Employees

The Company has an organizational chart displaying the position of Senior Management including KMP and other positions with the minimum qualifications and experience requirements for each position which commensurate with the size of its business and the nature and complexity of its operations. Any new recruit in the Company is to match the requirements prescribed in the organizational chart of the Company. Any removal of Key Managerial personnel, Senior Management shall be done in consultation with the Board and NRC Committee. s

2. Remuneration

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

The Remuneration/ Compensation/ Commission etc. to be paid to Director/Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and subject to Shareholder / Board approval.

The remuneration /compensation /commission, etc., as the case may be, shall also be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made there under. The remuneration of KMP and Senior Management shall be fixed based on HR policy of the Company and done in consultation with NRC and Board.

B. Remuneration to Non-Executive/Independent Director

The Non-Executive/Independent Director may receive remuneration by way of remuneration / commission /sitting fees. The amount of sitting fees shall be decided by the Committee / Board / shareholders and subject to limits as provided under the Companies Act, 2013 and rules made there under and subject to SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 or any other enactment for the time being in force. It is the discretion of the Board to consider paying the sitting fees only to Independent Directors.

C. Remuneration to other Employees:

Apart from the Directors, KMPs and Senior Management Personnel, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience. The power to decide structure of remuneration for KMP, Senior Management and other employees has been delegated to the Human Resources Department of the Company.

3. Review & Amendment

1. The NRC or the Board may review the Policy as and when it deems necessary
2. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

The Evaluation policy of the Board, Committees and Directors is provided in “Draft Evaluation Policy for Directors” and the same is hosted in <http://www.natronix.net/DraftPerformanceEvaluationPolicy.pdf>

PARTICULARS OF KMP AND REMUNERATION

Details as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name Of Director/KMP	Amount Of Remuneration per Annum (INR in Lakhs)	Ratio Of Remuneration To Median Remuneration of Employees for the Financial Year
P. Balamurugan, - Head (Operations) & Whole Time Director	12.63	4.5
G. Venkatesan - CFO	3.7	1.34
S. Sivaraman - Company Secretary	4	1.42

Other details

The number of permanent employee on the roll of the Company.	103 Employees
The explanation on the relationship between average increase in remuneration and Company performance	Changes in the remuneration of employees is in line with Company sales performance
Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	The remuneration of the KMP's are in line with the remuneration policy of the Company where the remuneration is determined based on their performance which is correlated to the performance of the Company.

Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies the variations in the net worth of the Company as at the close of the current financial year and previous financial year.	Particulars : Mar 31, 2024 Market capitalization Rs. 608 Crs Price Earnings Ratio (34.15)
Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There was no increase in the Managerial Remuneration.
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.

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

Date: 29.05.2024

Place: Chennai

Sd/-

**Swaminathan
Chandramohan
Director
DIN: 00052571**

Sd/-

**P. Balamurugan
Whole-Time Director
DIN: 07480881**

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2024**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members of
SPEL SEMICONDUCTOR LIMITED.

We have conducted the secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SPEL SEMICONDUCTOR LIMITED** (hereinafter called the "Company") [CIN: L32201TN1984PLC011434] for the financial year 2023-24. The Secretarial Audit was conducted based on the records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.

- i. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial Audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company, during the Audit period covering the financial year ended on 31st March 2024, appears to have complied with the statutory provisions listed hereunder and also in our limited review, the Company has proper and required Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
- We have examined the books, papers, minutes' book, forms, and returns filed and other records maintained by the Company and made available to us, for the financial year ended on 31st March 2024 according to the applicable provisions of:
- a) The Companies Act, 2013 (the "Act") and the rules made thereunder read with notifications, exemptions, and clarifications thereto.
 - b) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
 - c) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder.
 - d) (a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI).
(b) Overseas Direct Investment (ODI) and External Commercial Borrowings (ECBs)-
Not applicable as the Company has no ODI and ECBs, under review.
 - e) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI ACT'):
 1. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015
 2. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 3. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
 4. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018-
Not applicable as the Company has not issued any securities during the financial year under review.
 5. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- **Not applicable as the Company has not issued any share based employee benefits/sweat equity shares to its employees during the year under review;**
 6. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021-
Not applicable as the Company has not issued any debt securities during the financial year under review;
 7. 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 (**not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review**)
 8. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable as the Company has not delisted/ propose to delist its shares from any stock exchange during the financial year under review;**
 9. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable as the Company has not bought back/ propose to buyback any of its securities during the financial year under review.**

f) The other laws applicable specifically to the Company: NIL

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) with respect to Meetings of Board of Directors (SS-1) and the Meetings of General Meetings (SS-2).

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

The disqualified Director, Mr Dorairaj Balakrishnan (DIN: 02131242) vacated office effective from 28.07.2023. Delay in submission of the Annual Secretarial Compliance Report for the financial year ended 31.03.2023, the Audited Standalone Financial Results for the financial year ended 31.03.2023, and the related party transactions for the six months ended 31.03.2023.

We further report that

The Board of Directors of the Company is duly constituted with a balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. There was change in the composition of the Board of Directors during the period under review.

Adequate Notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent in advance, and 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 the Board resolutions passed unanimously and the same have recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **M K MADHAVAN & ASSOCIATES**
Company Secretaries

Sd/-

M K MADHAVAN

Proprietor

Membership No.: F-8408 / C.P. No.: 16796

P.R. No. 1221/2021

UDIN: F008408F000478878

Date: 29.05.2024

Place: Chennai

[This Report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.]

Annexure-A

To
The Members of
SPEL SEMICONDUCTOR LIMITED.

Sub.: Secretarial Audit of **SPEL SEMICONDUCTOR LIMITED** for the financial year ended 31st March 2024.

This letter forms integral part of our secretarial Audit report dated 29.05.2024

Management's Responsibility:

- A. It is the responsibility of the Management of the Company to maintain secretarial record by the Company and devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the system is adequate and operate effectively.

Auditor's Responsibility:

- B. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- C. The Compliance of the provisions of corporate and other applicable laws, rules and regulations, standards are the responsibility of Management. Our examination was limited to the verification of procedures on the random test basis.
- D. We believe that Audit evidence and information obtained from the Company's Management is reasonably adequate and appropriate to provide a reasonable basis for our opinion.
- E. We have obtained the necessary Management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

- F. We have not verified the correctness and appropriateness of financial records and books of accounts and other such information/records of the Company, which were outside our agreed scope.
- G. The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **M K MADHAVAN & ASSOCIATES**
Company Secretaries

Sd/-

M K MADHAVAN

Proprietor

Membership No.: F-8408 / C.P.No.: 16796

P.R. No. 1221/2021

Date: 29.05.2024

Place: Chennai

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members,
SPEL SEMICONDUCTOR LIMITED.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SPEL SEMICONDUCTOR LIMITED having CIN: L32201TN1984PLC011434 and having registered office at 5, CMDA Industrial Estate, Maraimalai Nagar, Tamil Nadu, 603209 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

SI No.	Name of Director	DIN	Designation
i.	Ravikumar Krishnasamy	00119753	Non-executive, Independent Director, Chairperson
ii.	Swaminathan Chandramohan	00052571	Non-executive, Independent Director
iii.	Enakshi Bhattacharya	05277571	Non-Executive, Independent Director (Woman)
iv.	Mulloth Jayasankar	00048351	Non-Executive, Non-Independent Director
v.	Nakkeeran Ekambaram	08638679	Non-Executive, Non-Independent Director
vi.	Palanichamy Balamurugan	07480881	Executive Director. WTD

It is the responsibility of the Management of the Company to ensure the eligibility for the appointments of Directors and their continuance as Directors on the Board. Our responsibility is to express an opinion on the matter and this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **M K MADHAVAN & ASSOCIATES**

Company Secretaries

Sd/-

M K MADHAVAN

Proprietor

Membership No.: F-8408 / C.P. No.: 16796

P.R. No. 1221/2021

UDIN:F008408F000478999

Date: 29.05.2024

Place: Chennai

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 value and elevate the interest of its Stakeholders by 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 practices. The results of good Corporate Governance practices are reflected in confidence reposed by various Stakeholders.

2. Board of Directors

The present strength of the Board as on the date of this report is 7 Directors. The Board comprises of combination of Executive and Non-executive Directors.

None of the other Directors are related to each other.

a. Composition of Board of Directors, their other Directorships and Committeeships as on March 31, 2024 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 Chairperson*	No. of other Board Committee(s) in which he/she is a Member Or Chairperson**	Attendance at the last AGM (Yes/No)
		Held during The year	Attended during the year			
Mr. Mulloth Jayasankar	Non-Executive/Non-Independent Director	6	6	1	-	Yes
Mr. Swaminathan Chandramohan	Non-Executive/Independent Director	6	6	1	2	Yes
Mr. Ravikumar Krishnasamy	Non-Executive/Independent Director	6	6	2	2	Yes
Mr. Palanichamy Balamurugan	Executive/Whole-Time Director	6	6	0	-	Yes
Dr. Enakshi Bhattacharya	Non-Executive/Independent Director	6	6	0	2	Yes

Mr. Nakkeeran Ekambaram	Non-Executive - Non Independent Director	6	4	0	0	Yes
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*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.

During the year ended March 31, 2024, Five (5) Board Meetings were held on June 9, 2023, June 27, 2023, August 14, 2023, November 7, 2023, November 10, 2023, February 9, 2024.

b. List of Core Skills/Expertise/Competencies

The Board identifies the following skills/expertise/competencies for conducting the affairs of the business of the Company in an effective, sustainable and socially responsible manner:

- i. Knowledge of design and fabrication of semiconductors and semiconductor devices etc.,
- ii. Knowledge of Technological development and implementation of the same in the semiconductor industry for the effective running of business
- iii. Financial, Accounting and Legal knowledge and acumen to run the business to the expectation of the Stakeholders;
- iv. Ability to closely follow the competitive business environment and implementation of strategies for the beneficial performance;
- v. Knowledge of inducting the required human resource, motivating them for achieving the ultimate business objectives etc.,
- vi. Compliance with the requirement of various Statutes applicable to the Company.

A Chart/Matrix setting out the Skills/Expertise/Competence of the Board of Directors with names and their expertise:

S.No	Name of the Director	Management Skill	Knowledge on Semiconductor Industry, it's operations, products etc.	Finance, Accounting and Legal Knowledge and compliance with the requirement of various statutes	Implementation of strategies for the beneficial performance and Marketing skills
1	Mr. Mulloth Jayasankar	✓	✓	✓	✓
2	Mr. Swaminathan Chandramohan	✓	✓	✓	✓
3	Mr. Ravikumar Krishnasamy	✓	✓	✓	✓
4	Mr. Dorairaj Balakrishnan	✓	✓	✓	✓
5	Mr. Palanichamy Balamurugan	✓	✓	✓	✓
6	Dr. Enakshi Bhattacharya	✓	✓	✓	✓

c. The details of familiarization programs imparted to the Independent Directors can be viewed on the below mentioned web link:

<http://www.natronix.net/Policies.html>

d. Equity Shares held by Non-Executive Directors as on March 31, 2024: Nil

e. Board confirmation on the independence of Independent Directors:

The Board of Directors of the Company do hereby confirm that, in the opinion of the Board, the Independent

Directors of the Company fulfil the conditions specified under SEBI (LODR) Regulations, 2015 as amended and they are independent of the Management.

3. Composition of various Board Committees as on 31.03.2024 (After reconstitution of Committees in the Board Meeting held on 14th February 2023)

Name of the Committee	Name of Directors	Category
Audit Committee	Mr. Swaminathan Chandramohan Dr. Enakshi Bhattacharya Mr. Ravikumar Krishnasamy	Chairman Member Member
Stakeholders Relationship Committee	Dr. Enakshi Bhattacharya Mr. Swaminathan Chandramohan Mr. Ravikumar Krishnasamy	Chairman Member Member
Nomination and Remuneration Committee	Mr. Ravikumar Krishnasamy Mr. Swaminathan Chandramohan Dr. Enakshi Bhattacharya	Chairman Member Member

4. Board and Committee functioning

I. Board Meetings –

- a. The Board Meetings are generally held in Chennai with the majority of Directors present at each meeting.
- b. The detailed Agenda with notes is circulated in advance and contains all the matters enshrined in Section 173(3) of Companies Act, 2013.
- c. 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.
- d. 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.

II. Audit Committee-

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

- a) Financial statements before submission to the Board
- b) Draft financial statements and Auditors' Report before submission to the Board
- c) Accounting Policies and Practices
- d) Risk Management Policies and Practices
- e) Compliance with Stock Exchange and legal requirements concerning financial statements
- f) Related Party Transactions
- g) Recommendation of appointment of Auditors and fixing their fees
- h) To review the Internal Control Systems and Internal Audit Reports and their compliance thereof

Four (4) Audit Committee Meetings were held on 27th June, 2023, 14th August 2023, 7th November 2023, 9th February 2024.

Names of the Directors	No. of Audit Committee Meetings eligible to attend	No. of Audit Committee Meetings attended
Dr.Enakshi Bhattacharya	4	4
Mr.S.Chandramohan	4	4
Mr.Ravikumar Krishnasamy	4	4

II. 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). 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.

2 Meeting of Nomination and Remuneration Committee were held during the year 2023-24 (24.07.2023 and 07.11.2023)

Names of the Directors	No. of Nomination and Remuneration Committee Meetings eligible to attend	No. of Nomination and remuneration Committee Meetings attended
Dr.Enakshi Bhattacharya	2	2
Mr.S.Chandramohan	2	2
Mr.Ravikumar Krishnasamy	2	2

Details of Remuneration paid to Directors (Amount in Rs)

S.No	Names of Directors	Salary/ Spec. allowance	Commission / Bonus	Sitting fees	Stock Option	Total
1	Mr. Mulloth Jayasankar	-	-	36,900	-	-
2	Mr.Swaminathan Chandramohan	-	-	64,100	-	-
3	Mr. Ravikumar Krishnasamy	-	-	64,100	-	-
4	Mr. Nakkeeran Ekamabarm	-	-	21,600	-	-
5	Dr. Enakshi Bhattacharya	-	-	64,100	-	-
6	Mr. Palanichamy Balamurugan	-	-	-	-	-

Remuneration Policy

The following is the remuneration policy of Directors:

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

e. 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.

f. 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 V of the Act and if the Company not able to comply with such provisions, with the previous approval of the Central Government.

g. Remuneration to Non-executive / Independent Director

i. Remuneration /Commission

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

II. Stakeholders Relationship Committee

The Company has a Stakeholders' Relationship Committee of the Board of Directors to look into various aspects of interest of Shareholders including the redressal of complaints of shareholders'/investors' such as transfer or credit of shares, non-receipt of dividend/Notices/annual reports, review of and effective exercise of voting rights by Members, adherence to service standards fixed by the Company by the RTAs, initiatives taken by the Company for timely receipt of dividend, annual reports, reduction in unclaimed dividend etc.

The Stakeholders Relationship Committee comprises of majority of Independent Non-Executive Directors. Dr. Enakshi Bhattacharya is the Chairperson of the Committee. Mr. S. Sivaraman, Company Secretary is the Compliance Officer and acts as the secretary to the Committee.

The Table below shows the nature of complaints received from Shareholders during 2023-24:-

S.No.	Nature of Complaint	Number of Complaints Received	Number of Complaints Resolved	Number of Complaints Pending as on March 31, 2024
1.	Updation of KYC	2	2	0
2.	Non-receipt of share certificates	1	1	0
3.	Procedure for transmission of shares	1	1	0
4	Non receipt of share certificates letter of confirmation after splitting	1	1	0
5	Procedure for issue of duplicate share certificate	1	1	0
6	Non adherence to Corporate Governance norms	1	1	0

One Stakeholders Relationship Committee Meeting was held on 7th November, 2023

Names of the Directors	No. of Stakeholders Relationship Committee Meetings eligible to attend	No. of Stakeholders Relationship Committee Meetings attended
Dr.Enakshi Bhattacharya	1	1
Mr.S.Chandramohan	1	1
Mr.Ravikumar Krishnasamy	1	1

4. 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.	2020-2021	Through Video Conferencing("VC")/Other Audio Visual Mechanism("OAVM")from the registered office	November 29,2021;2.30PM
2.	2021-2022	Through Video Conferencing("VC")/Other Audio Visual Mechanism("OAVM")from the registered office	December 31,2022;1.00PM
3.	2022-2023	Through Video Conferencing("VC")/Other Audio Visual Mechanism("OAVM")from the registered office	September 21, 2023, 11.00 AM

Special Resolutions passed in the previous 3 AGMs:

- i) 36th AGM : Nil
- ii) 37th AGM : Appointment of Mr. M. Jayasankar as Director who has Attained the age of 75years
- iii) 38th AGM : Approval to Sell, Lease or otherwise dispose of whole or substantially the whole of the undertaking(s) of the Company

Postal Ballot: The Company has not passed resolutions by way of the Postal Ballot during the year

5. Disclosures

- a. No transaction of material nature has been entered into by the Company with related parties i.e. Directors or Management, their subsidiaries or relatives that may have potential conflict with the interests of the Company at large. The Policy on Related Party Transactions can be seen on the Company's website <http://www.natronix.net/Policies.html>.

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.

- b. The Company has generally complied with all the requirement of regulatory authorities. There were some instances of non-compliances by the Company during the last 3 years whereby the requisite penalty, and stricture imposed on the Company by Stock Exchanges or SEBI or any statutory authorities against the Company has been duly paid.
- c. The Company has a Whistle-Blower Policy through which Directors, employees and business associates may report unethical business practices at work place without the fear of reprisal. The Company has set up a direct contact initiative under which all the Directors, employees /business associates have direct access to the Chairman of the Audit Committee and affirms that no personnel has been denied access to the Audit Committee. The “Whistle-Blower Protection Policy” aims to:
- Allow and encourage Directors, employees and business associates to bring to the Management’s Notice, concerns about suspected unethical behavior, malpractice, wrongful conduct, fraud, violation of policies etc.,
 - Ensure timely and consistent organizational response.
 - Build and strengthen a culture of transparency and trust.
 - Provide protection against victimization.
- d. All the mandatory requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with.

The Company has fulfilled the following non-mandatory requirements as prescribed in Part E of Schedule II as mentioned under Regulation 27 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

- The Company has appointed a third-party Firm as the Internal Auditors
- The Chairman of the Board is a Non-Executive Independent Director and not related to the Executive Directors of the Company.

The web link for determining material subsidiary is not required as the Company does not have a material subsidiary.

The web link on dealing with dealing with related party transaction
<http://www.natronix.net/SPEL%20RPT%20Policy.pdf>

6. Means of Communications

Financial results of the Company are published in Trinity Mirror and Makkal Kural. The results are also displayed in URL, namely <http://www.natronix.net/investors.html>. The Company does not display official news releases. Company has not made presentations to Institutional Investors or to the Analysts.

7. General Shareholder Information

Annual General Meeting (as indicated in the Notice)	August 28,2024 through Video Conferencing or Other Audio-Visual Means
Financial year	2023-24
Dates of Book Closure	22nd August 2024 to 28th August 2024
Listed on Stock Exchange	BSE Limited PhirozeJeejeebhoy Tower Dalal Street, Mumbai – 400 001
Payment of Annual Listing Fees	Annual Listing fees for the FY 2024-25 has not been paid
Stock Code	517166
ISIN Number	INE252A01019
Outstanding	Nil

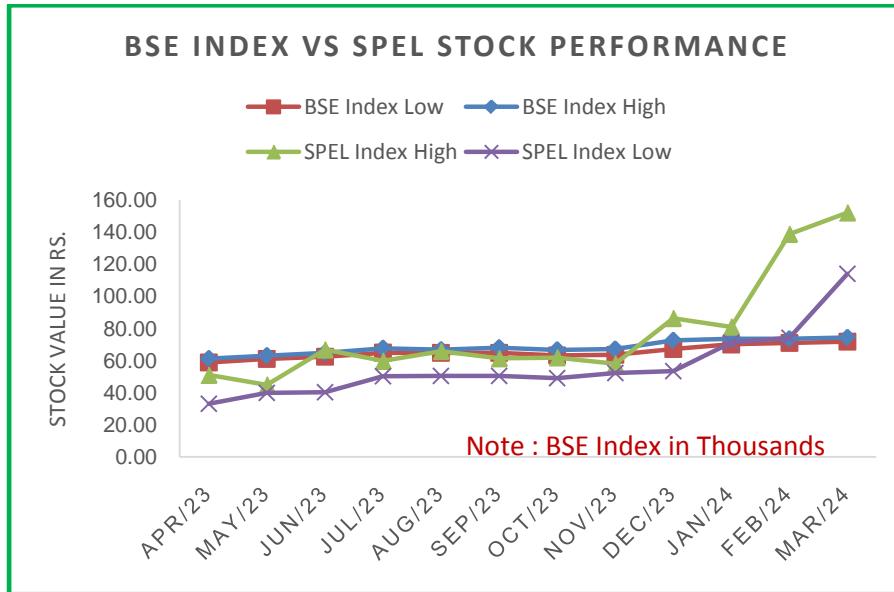
GDR/ADR/Warrants Or any convertible instruments:	
Registrar & Share Transfer Agent	Cameo Corporate Services Limited Subramanian Building, 1 Club House Road Chennai 600002
Share transfer System	The share transfers in physical form is no longer permitted as per the amendment made to SEBI (LODR) Regulations, 2015 and Share Transfers can be effected only in dematerialised form after 01.04.2019. As per the clarification given by SEBI, Transmission and Transposition of Shares will be allowed in physical form. Transmission and Transposition, issue of duplicate shares, transfer of unclaimed shares to IE@PF Authority are presently processed and the share certificates are issued within the stipulated time, subject to the documents being clear in all respects.
Address for Communication	Company Secretary, SPEL Semiconductor Limited 5 CMDA, Industrial Estate, MM Nagar (Chennai)-603 209 India.
Factory Location	CMDA Industrial Estate, MMNagar (Chennai)-603209 India
Details of Commodity Price Risk/Hedging Activities:	There are no such transactions during the year 2023-24
Dematerialisation of shares and liquidity:	About 94 % of the Equity Shares are being held in dematerialised form as at March 31, 2024. There is sufficient Liquidity in the Market.
Details of Credit Ratings obtained	Nil
Details of Commodity Price Risks, Foreign Exchange Risk	Nil

Distribution of Shareholding as on Mar 31, 2024

Category	No. of Shareholders	No. of Shares	%
Promoter & Promoter Group	6	27288780	59.17236
Foreign Institutional Investors	2	42500	0.09
Foreign nationals	1	300	0.00
Mutual Funds	2	8600	0.018648
Banks	1	100	0.000217
Shareholding by Companies or Bodies Corporate where Central/State Government is a promoter	1	1400	0.003036
Non-Resident Indians	483	314819	0.68
Body Corporate	208	469997	1.027262
Resident Individuals	72624	1,75,18,417	37.98
Hindu Undivided Families	454	465037	1.01

Trusts	1	388	0.000841
Employees	10	6305	0.013672
Clearing Members	1	800	0.0017
Total	61548	4,61,17,443	100.00

Stock Performance V/s BSE Sensex



Month	BSE Index High	BSE Index Low	SPEL Index High	SPEL Index Low
Apr-23	61.21	58.79	51	33.15
May-23	63.04	61.00	44.9	40.01
Jun-23	64.77	62.36	66.76	40.4
Jul-23	67.62	64.84	59.72	50.3
Aug-23	66.66	64.72	65.83	50.46
Sep-23	67.93	64.82	61.32	50.5
Oct-23	66.59	63.09	61.9	49.1
Nov-23	67.07	63.55	58	52.2
Dec-23	72.48	67.15	86.3	53.56
Jan-24	73.43	70.00	80.98	71.12
Feb-24	73.41	70.81	138.6	74.11
Mar-24	74.25	71.67	151.9	114

Market Price Data High & Low, Trading volume and no. of trades during each month for FY 23-24

Month	High	Low	# of Shares	# of Trades
Apr-23	51	33.2	6,59,309	8,602
May-23	44.9	40	4,69,424	7,385
Jun-23	66.76	40.4	27,43,081	16,542
Jul-23	59.72	50.3	12,40,133	13,767
Aug-23	65.83	50.5	12,25,217	6,254
Sep-23	61.32	50.5	9,37,075	11,416
Oct-23	61.9	49.1	9,21,369	12,606
Nov-23	58	52.2	9,43,246	10,951
Dec-23	86.3	53.6	50,81,428	45,117
Jan-24	80.98	71.1	19,58,162	29,106
Feb-24	138.6	74.1	47,59,250	47,660
Mar-24	151.9	114	14,77,047	16,856

8. Accounting Standards

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

9. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- Number of complaints filed during the financial year - NIL
- Number of complaints disposed of during the financial year - NIL
- Number of complaints pending as on end of the financial year - NIL

10. Details of Loans/Advances extended to Firms/Companies in which Directors are interested during the year 2023-24: NIL**11. Payment to Statutory Auditors of the Company**

For the FY 2024, total fees for all services paid by the Company to the Statutory Auditors is Rs.3 Lakhs. There were no instances of any non-compliance of Corporate Governance in terms of Part-C (11) of Schedule-V to the SEBI LODR

12. Company Secretary Certificate

A Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority forms part of the Annual Report.

Declaration on Code of Conduct by Members of Board and Senior Management

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

To

The Members of SPEL Semiconductor Limited

This is to confirm that the Company has adopted a Code of Conduct for the members of the Board and the Senior Management Personnel and these Codes are available on the Company's website <http://natronix.net/CCBD.html>. It is confirmed that the members of the Board and the Senior Management Personnel have complied with the Code of Conduct in respect of the financial year ended March 31, 2024.

Date: 29.05.2024

For SPEL Semiconductor Limited

Place : Chennai

Sd/-
P. Balamurugan
Whole-Time Director

WTD & CFO Certification

Pursuant to Schedule II and 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

We, P. Balamurugan, Whole-Time Director and G. Venkatesan, Chief Financial Officer of the Company, do solemnly certify that:

1. We have reviewed the Audited financial statements of the quarter and year ended 31st March 2024 and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading;
 - b. These statements together present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity in all material respects, with the existing generally accepted accounting principles, including accounting standards, applicable laws and regulations.
2. 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.
3. 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.
4. We have indicated to the Auditors and the Audit Committee:
 - a. Significant changes in internal control during the year;
 - b. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. 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 over financial reporting.

However, during the year, there were no such changes or any such instances.

Date: May 29, 2024

For SPEL Semiconductor Limited

Place: Chennai

Sd/-
P. Balamurugan
Whole-Time Director

Sd/-
G. Venkatesan
Chief Financial Officer

CORPORATE GOVERNANCE CERTIFICATE

To
The Members of
SPEL SEMICONDUCTOR LIMITED.

We have examined the compliance of conditions of Corporate Governance by SPEL SEMICONDUCTOR LIMITED, for the year ended 31st March 2024, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Regulations. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of my information and according to the explanations given to us and based on the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For **M K MADHAVAN & ASSOCIATES**
Company Secretaries

Sd/-
M K MADHAVAN
Proprietor
Membership No.: F-8408 / C.P. No.: 16796
P.R. No. 1221/2021

UDIN: F008408F000479021
Date: 29.05.2024
Place: Chennai

Management Discussion and Analysis Report:

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

About Semiconductor Industry:

The global semiconductor industry encompasses the design, manufacture, and sale of semiconductor chips or integrated circuits (ICs) used in various electronic devices and applications. It plays a critical role in enabling technological advancements across a wide range of sectors, including consumer electronics, telecommunications, automotive, industrial automation, healthcare, and more. Here's an overview of the global semiconductor industry market:

Market Size and Growth: The global semiconductor industry is substantial, with billions of dollars in annual revenue. According to various industry reports, the semiconductor market has experienced consistent growth over the years, driven by increasing demand for semiconductor chips in electronic devices and emerging technologies like IoT, AI, 5G, and automotive electronics.

Key Players: The semiconductor industry is highly competitive and includes a mix of established players and newer entrants. Some of the leading semiconductor companies globally include Intel Corporation, Samsung Electronics, Taiwan Semiconductor Manufacturing Company (TSMC), SK Hynix, Qualcomm, Broadcom Inc., NVIDIA Corporation, Texas Instruments, and Advanced Micro Devices (AMD), among others.

Technology Trends: Technological advancements drive innovation and growth in the semiconductor industry. Key technology trends shaping the industry include the ongoing miniaturization of semiconductor chips through advanced process nodes (such as 7nm, 5nm, and beyond), the development of specialized chips for AI, machine learning, and edge computing, the transition to 5G wireless technology, and the proliferation of IoT devices.

Market Segments: The semiconductor market comprises various product segments, including microprocessors, memory chips (DRAM, NAND flash, etc.), analog and mixed-signal ICs, logic chips, sensors, and optoelectronic components. Each segment serves different applications and industries, contributing to the overall growth of the semiconductor market.

Regional Dynamics: The semiconductor industry has a global footprint, with significant manufacturing and consumption centers in regions such as Asia-Pacific (including Taiwan, South Korea, China, and Japan), North America, and Europe. Asia-Pacific, particularly Taiwan and South Korea, is a major hub for semiconductor manufacturing, while North America houses many leading semiconductor design companies.

Regulatory and Environmental Factors: The semiconductor industry is subject to various regulations related to intellectual property rights, trade, export controls, and environmental standards. Compliance with regulations and standards, as well as managing environmental impacts associated with semiconductor manufacturing processes, are important considerations for industry players.

Supply Chain Challenges: The semiconductor industry relies on a complex global supply chain involving raw materials, equipment suppliers, foundries, assembly and test facilities, and distribution networks. Supply chain disruptions, such as shortages of critical components, geopolitical tensions, natural disasters, and trade restrictions, can impact semiconductor production and lead to market uncertainties.

Overall, the global semiconductor industry is dynamic and continuously evolving, driven by technological innovation, market demand, competitive dynamics, and macroeconomic factors. Staying abreast of industry trends, investing in R&D, maintaining supply chain resilience, and adapting to changing market conditions are essential for semiconductor companies to succeed in this highly competitive landscape.

Industry Outlook :

Global semiconductor industry is one of the most dynamic and crucial sectors in modern technology. Here's an outlook based on recent trends and projections:

Continued Growth: The semiconductor industry has been experiencing steady growth over the past few decades, driven by increasing demand for electronics in various sectors such as automotive, healthcare, telecommunications, and consumer electronics.

Technological Advancements: Technological advancements, particularly in areas like artificial intelligence (AI), Internet of Things (IoT), 5G connectivity, and autonomous vehicles, are driving the demand for more advanced semiconductor chips. This is leading to increased investments in research and development by semiconductor companies to stay competitive.

Supply Chain Challenges: The industry has faced challenges related to supply chain disruptions, including shortages of raw materials, logistics issues, and geopolitical tensions. These challenges have been exacerbated by the COVID-19 pandemic but have also highlighted the need for more resilient supply chains and localization of manufacturing.

Rise of AI and IoT: The proliferation of AI and IoT applications is driving demand for specialized semiconductor chips optimized for tasks such as machine learning, edge computing, and sensor integration. This trend is expected to continue as more industries adopt AI and IoT technologies.

Emerging Technologies: Emerging technologies like quantum computing, silicon photonics, and advanced memory solutions hold the potential to disrupt the semiconductor industry and open up new opportunities for innovation and growth.

Environmental Sustainability: There's an increasing focus on environmental sustainability within the semiconductor industry, with companies investing in energy-efficient manufacturing processes, recycling initiatives, and reducing their carbon footprint.

Geopolitical Dynamics: Geopolitical tensions, particularly between the US and China, have led to concerns about supply chain security and intellectual property protection. This has prompted some countries to invest in domestic semiconductor production and diversify their supply chains.

Investments and Mergers: The industry is witnessing significant investments in semiconductor manufacturing capacity, particularly in advanced nodes like 7nm and below. Mergers and acquisitions are also common as companies seek to consolidate their market positions and acquire specialized technology and talent.

Overall, while the semiconductor industry faces various challenges, including supply chain disruptions and geopolitical tensions, it remains a critical enabler of technological innovation and economic growth globally. Continued advancements in technology and strategic investments will likely drive future growth and evolution in the industry.

Semiconductor Industry Growth:

The global semiconductor market size was valued at USD 611.35 billion in 2023 and is projected to grow from USD 681.05 billion in 2024 to USD 2062.59 billion by 2032, exhibiting a CAGR of 14.9% during the forecast period (2024-2032).

1. Market Drivers

The semiconductor industry is influenced by a variety of market drivers, including technological advancements, global economic conditions, industry trends, and consumer demand. Here are some of the key market drivers in the semiconductor industry:

Technological Innovation: Advances in semiconductor technology, such as smaller transistor sizes, improved performance, and increased energy efficiency, drive demand for new semiconductor products. Emerging technologies like artificial intelligence (AI), Internet of Things (IoT), 5G connectivity, and autonomous vehicles require specialized semiconductor solutions, creating opportunities for companies that can innovate in these areas.

Consumer Electronics Demand: The proliferation of smartphones, tablets, laptops, and other consumer electronic devices fuels demand for semiconductor chips. As consumers seek devices with enhanced features, longer battery life, and better performance, semiconductor manufacturers must continually innovate to meet these demands.

Data Center Growth: The expansion of cloud computing, big data analytics, and artificial intelligence applications drives demand for semiconductor chips used in data centers. Companies require high-performance processors, memory, and networking chips to support increasingly complex workloads, creating opportunities for semiconductor vendors that can provide efficient and scalable solutions.

Automotive Electronics: The automotive industry is undergoing a digital transformation, with semiconductor content per vehicle increasing as cars become more connected, electrified, and autonomous. Semiconductor chips are used in various automotive systems, including infotainment, advanced driver-assistance systems (ADAS), powertrain control, and vehicle electrification, driving demand for specialized automotive-grade semiconductor solutions.

Industrial IoT and Automation: The adoption of Industrial Internet of Things (IIoT) technologies and automation in industries such as manufacturing, healthcare, and logistics requires semiconductor chips for sensors, controllers, actuators, and communication modules. As industries digitize and automate processes to improve efficiency and productivity, demand for semiconductor solutions tailored for industrial applications grows.

Global Economic Conditions: Macroeconomic factors such as GDP growth, trade policies, currency fluctuations, and geopolitical tensions impact semiconductor demand and supply chain dynamics. Economic downturns can lead to reduced consumer spending and business investment, affecting semiconductor sales, while economic recovery and expansion typically drive increased demand for electronic devices and semiconductor chips.

Supply Chain Constraints: Semiconductor manufacturing is a complex global supply chain with dependencies on raw materials, equipment, and skilled labor. Disruptions in the supply chain, such as natural disasters, geopolitical tensions, trade restrictions, or semiconductor manufacturing process node transitions, can lead to shortages, supply constraints, and price fluctuations in the semiconductor market.

Understanding and effectively navigating these market drivers is crucial for semiconductor companies to stay competitive, innovate, and capitalize on growth opportunities in the dynamic semiconductor industry landscape.

2. Semiconductor Mergers:

here are some recent semiconductor Company mergers:

NVIDIA and Arm Holdings (Proposed): NVIDIA announced its intention to acquire Arm Holdings from SoftBank Group in September 2020 for \$40 billion. However, the deal has faced significant regulatory scrutiny and is yet to be finalized.

AMD and Xilinx: In October 2020, AMD announced its acquisition of Xilinx for \$35 billion. This merger brings together AMD's expertise in CPUs and GPUs with Xilinx's strengths in FPGA and adaptive SoC technology, positioning the combined entity for growth in the data center and other markets.

Marvell Technology Group and Inphi Corporation: In October 2020, Marvell announced its acquisition of Inphi Corporation for \$10 billion. This deal combines Marvell's networking and storage solutions with Inphi's high-speed data connectivity technology, enhancing Marvell's capabilities in cloud data centers and 5G infrastructure.

Analog Devices and Maxim Integrated: In July 2020, Analog Devices announced its acquisition of Maxim Integrated for \$21 billion. This merger creates a powerhouse in the analog semiconductor industry, offering a broad portfolio of products for automotive, industrial, and consumer markets.

Advanced Micro-Fabrication Equipment Inc. (AMEC) and Applied Materials (Proposed): In September 2021, Applied Materials announced its intention to acquire AMEC for \$9.3 billion. AMEC is a Chinese semiconductor equipment manufacturer specializing in advanced process technologies, and this acquisition would expand Applied Materials' presence in China.

These recent mergers reflect the ongoing trend of consolidation in the semiconductor industry as companies seek to strengthen their competitive positions, expand their product portfolios, and capitalize on emerging market opportunities.

3. Outsourced Assembly and Test (OSAT) Industry

The Outsourced Semiconductor Assembly and Test (OSAT) industry plays a crucial role in the semiconductor supply chain by providing packaging and testing services for semiconductor companies. Here's an outlook on the OSAT industry:

Market Growth: The OSAT industry is expected to continue growing, driven by increasing demand for semiconductor packaging and testing services. As semiconductor companies focus on chip design and outsource packaging and testing to specialized OSAT providers, the demand for OSAT services is expected to rise.

Rising Demand for Advanced Packaging Technologies: The growing complexity of semiconductor chips, driven by trends such as heterogeneous integration, AI, 5G, and IoT, is driving demand for advanced packaging technologies. OSAT companies are investing in advanced packaging solutions such as fan-out wafer-level packaging (FOWLP), 2.5D/3D packaging, and system-in-package (SiP) to meet the requirements of next-generation devices.

Technological Innovation: OSAT providers are investing in research and development (R&D) to develop new packaging and testing technologies, improve process efficiency, and meet the evolving needs of semiconductor customers. Innovation in areas such as wafer-level packaging, flip-chip bonding, and advanced testing techniques is essential for maintaining competitiveness in the OSAT industry.

Diversification of Services: OSAT companies are expanding their service offerings beyond traditional packaging and testing services to provide value-added solutions such as design services, wafer probing, failure analysis, and supply chain Management. Diversification allows OSAT providers to offer comprehensive solutions and capture a larger share of the semiconductor value chain.

Focus on Sustainability: With increasing environmental and regulatory pressures, OSAT companies are prioritizing sustainability initiatives such as energy efficiency, waste reduction, and recycling. Adopting environmentally friendly manufacturing processes and materials not only reduces environmental impact but also enhances corporate reputation and customer loyalty.

Market Consolidation: The OSAT industry is witnessing consolidation as companies seek to expand their market presence, achieve economies of scale, and enhance competitiveness. Mergers and acquisitions allow OSAT providers to diversify their customer base, gain access to new technologies, and strengthen their position in the global market.

Geopolitical Factors: Geopolitical tensions and trade policies can impact the OSAT industry by affecting supply chain dynamics, trade relationships, and market access. OSAT companies need to navigate geopolitical risks, diversify their manufacturing footprint, and establish resilient supply chains to mitigate disruptions and ensure business continuity.

Overall, the OSAT industry is expected to experience steady growth driven by increasing semiconductor demand, technological advancements, diversification of services, and focus on sustainability. As semiconductor companies continue to outsource packaging and testing services to specialized OSAT providers, the OSAT industry will play an essential role in enabling innovation and driving efficiency in the semiconductor supply chain.

4. The Indian Semiconductor Industry

The Indian semiconductor industry has been experiencing significant growth and development in recent years. It plays a crucial role in the country's electronics manufacturing sector and contributes to the advancement of various high-tech industries. Here is an overview of the Indian semiconductor industry:

Market Size and Growth: The semiconductor industry in India has seen significant growth, driven by increasing demand for electronic devices, rising disposable incomes, and government initiatives such as Make in India and Digital India. According to industry reports, the Indian semiconductor market is expected to continue growing, driven by sectors such as consumer electronics, automotive, telecommunications, and industrial automation.

Design and R&D: India has emerged as a hub for semiconductor design and research and development (R&D) activities. Several multinational semiconductor companies have established design centers in India to leverage the country's talent pool of engineers and scientists. Indian companies are also increasingly investing in semiconductor design capabilities and developing intellectual property (IP) for domestic and global markets.

Manufacturing: While India has made strides in semiconductor design and R&D, semiconductor manufacturing in the country is still at a nascent stage. However, there have been efforts to promote semiconductor manufacturing through initiatives such as the Production Linked Incentive (PLI) scheme for electronics manufacturing. Companies like Intel, Samsung, and others have expressed interest in setting up semiconductor manufacturing facilities in India, which could boost the domestic manufacturing ecosystem.

Ecosystem Development: The Indian government and industry stakeholders are actively working to strengthen the semiconductor ecosystem in the country. This includes investments in infrastructure, skill development initiatives, promoting research collaborations between academia and industry, and facilitating partnerships with global semiconductor companies.

Startups and Innovation: India's vibrant startup ecosystem is also contributing to innovation in the semiconductor industry. Several startups are working on cutting-edge semiconductor technologies, including AI chips, IoT devices, and semiconductor IP cores. Government support through initiatives like Startup India and Atal Innovation Mission has encouraged entrepreneurship and innovation in the semiconductor space.

Challenges: Despite the growth opportunities, the Indian semiconductor industry faces several challenges, including infrastructure limitations, skilled labor shortages, regulatory complexities, and global competition. Addressing these challenges requires concerted efforts from industry stakeholders, government agencies, and academia to create a conducive environment for semiconductor manufacturing and innovation.

Overall, the semiconductor industry in India holds immense potential for growth, driven by the country's large and growing market, strong engineering talent pool, and supportive government policies. With continued investments in infrastructure, talent development, and ecosystem support, India has the opportunity to further establish itself as a significant player in the global semiconductor landscape.

SPEL-Operational Performance

SPEL improved the operational efficiency and improved the Cycle time and was consistently getting repeated orders from existing Customers. SPEL also established some contacts with Prior Customers and regained their confidence and secured some orders.

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 H W development & drop shipment to all its Customers which help to attract additional volumes.

The communication frequency with Customers & Sales Representatives increased and SPEL uses all

electronic media (e-Mails, Conference calls, Skype calls, Whatsapp calls, MS teams, Google Meetetc.)to interact with Customers

Contribution of Sales Representatives is also ensured to bring in new business & to reach Customers in case in case of any delay in shipments and unable to meet their requirements. They are advised to bring in new in new Customers & new products. Weekly calls with them are being done to ensure their activities are up to the expectations

SPEL reaches its Suppliers, Vendors and Customers to refer any new Customers if they have comeacrossandthishasprovidedpositiveresults.FewnewCustomerinductedthroughthismethod.

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..This will have a positive effect on SPEL's business.

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

The company is also working with Financial Institutions for Capacity Expansion and for plant modernization and also taking efforts to avail the Government of India incentives being offered to promote the Semiconductor eco-system within the Country.

Opportunities:

The semiconductor industry continues to offer numerous opportunities, driven by advancements in technology, growing demand for electronic devices, and emerging trends. Here are some key opportunities for the semiconductor industry:

The Outsourced Semiconductor Assembly and Test (OSAT) industry is well-positioned to capitalize on several opportunities in the semiconductor ecosystem. Here are some key opportunities for the OSAT industry:

Advanced Packaging Technologies: The demand for advanced packaging solutions such as fan-out wafer-level packaging (FOWLP), 2.5D/3D packaging, and system-in-package (SiP) is increasing due to the growing complexity of semiconductor chips. OSAT companies can capitalize on this trend by offering expertise in advanced packaging technologies and providing cost-effective and scalable packaging solutions to semiconductor companies.

Heterogeneous Integration: Heterogeneous integration, which involves combining different semiconductor components into a single package, is gaining traction in various applications such as AI, 5G, automotive, and IoT. OSAT providers can leverage their packaging and integration capabilities to enable heterogeneous integration solutions, addressing the need for higher performance, smaller form factors, and improved functionality in semiconductor devices.

5G and IoT: The rollout of 5G networks and the proliferation of IoT devices are driving demand for specialized semiconductor solutions. OSAT companies can play a crucial role in supporting the 5G and IoT ecosystem by providing packaging and testing services for RF, power Management, sensor, and connectivity chips. By offering tailored packaging solutions for 5G and IoT applications, OSAT providers can address the unique requirements of these markets and capture growth opportunities.

Automotive Electronics: The automotive industry is undergoing a digital transformation, with semiconductor content per vehicle increasing significantly. OSAT companies can capitalize on the growing demand for automotive semiconductor solutions by offering automotive-grade packaging and testing services. By meeting stringent quality and reliability requirements for automotive applications, OSAT providers can establish themselves as trusted partners for automotive semiconductor companies.

AI and Edge Computing: The adoption of artificial intelligence (AI) and edge computing technologies is driving demand for high-performance and energy-efficient semiconductor chips. OSAT companies can support AI and edge computing applications by offering advanced packaging solutions that enable faster processing, lower power consumption, and smaller form factors. By collaborating with semiconductor companies to develop AI and edge computing-focused packaging solutions, OSAT providers can address the evolving needs of these markets.

Customized Solutions and Value-added Services: OSAT providers can differentiate themselves by offering customized packaging solutions and value-added services tailored to the specific requirements of semiconductor customers. This may include design services, wafer probing, failure analysis, supply chain Management, and system-level integration. By providing comprehensive solutions and adding value throughout the semiconductor supply chain, OSAT companies can strengthen customer relationships and capture higher-margin opportunities.

Overall, the OSAT industry has numerous opportunities to drive growth and innovation by leveraging advanced packaging technologies, addressing emerging market trends, and providing value-added services to semiconductor customers. By staying agile, investing in technology development, and collaborating closely with semiconductor companies, OSAT providers can position themselves for success in the dynamic and competitive semiconductor ecosystem.

Here are some key Opportunities for the Company:

1. Government of India has announced some special incentives for Assembly, Test, Mark & Packaging units for providing Capex subsidy up to 50% with a minimum threshold investment of Rs.50Cr. The Tamilnadu State Government has also announced special incentive of 50% of what is offered as incentive by Central Government ie) 25% of Project cost. Your Company is exploring sourcing funds with Banks and Financial Institutions to make use of this Opportunity.
2. Due to US-China trade conflicts most Companies are looking for alternate Manufacturing sources for Chinese OSATS and this could be of immense help.

Threats :

While the Outsourced Semiconductor Assembly and Test (OSAT) industry presents promising opportunities, it also faces several threats that could impact its growth and sustainability. Here are some key threats for the OSAT industry:

Competition from Integrated Device Manufacturers (IDMs): Integrated Device Manufacturers, or IDMs, are semiconductor companies that handle both chip design and manufacturing processes in-house. As some IDMs expand their capabilities to include packaging and testing services, they may pose a competitive threat to OSAT companies by offering integrated solutions and potentially undercutting prices.

Technological Disruptions: Rapid technological advancements in semiconductor manufacturing and packaging technologies pose a threat to OSAT companies that fail to keep pace with innovation. New packaging techniques, materials, and equipment could render existing OSAT capabilities obsolete, leading to loss of market share or competitive disadvantage. The rapid pace of technological advancements in the semiconductor industry means that products and technologies can quickly become outdated. Companies must continually invest in research and development (R&D) to stay competitive and ensure their offerings remain relevant in the market. Failure to do so can lead to the risk of being left behind.

Intellectual Property (IP) Risks: OSAT companies rely heavily on semiconductor design IP and proprietary technologies licensed from semiconductor companies. However, disputes over IP infringement or challenges related to protecting sensitive design IP could disrupt business operations and result in legal liabilities for OSAT providers.

Supply Chain Vulnerabilities: The OSAT industry is highly dependent on a globalized supply chain, with dependencies on raw materials, equipment suppliers, and foundries. Disruptions in the supply chain due to natural disasters, geopolitical tensions, trade restrictions, or pandemics could lead to component shortages, production delays, and increased costs for OSAT companies. The semiconductor industry is influenced by

global economic conditions. Periods of economic downturns, recessions, or fluctuations in consumer demand can impact semiconductor sales and revenue. Companies need to be prepared to navigate through economic uncertainties and adapt their strategies accordingly.

Margin Pressures: Intense competition and pricing pressure in the semiconductor industry could impact the profitability of OSAT companies. Semiconductor customers often seek cost reductions and negotiate lower prices for packaging and testing services, squeezing margins for OSAT providers and limiting their ability to invest in R&D or expand operations.

Regulatory Compliance: OSAT companies must comply with various regulations and standards related to environmental, health, safety, and intellectual property rights. Non-compliance or failure to meet regulatory requirements could result in fines, legal penalties, reputational damage, and loss of business opportunities. Growing concerns about environmental sustainability and the use of hazardous materials in the semiconductor industry have led to increased regulations. Compliance with environmental standards, such as restrictions on certain substances, waste Management, and energy efficiency, can pose challenges for semiconductor manufacturers.

Geopolitical Risks: Geopolitical tensions, trade disputes, and changes in government policies can impact the OSAT industry by disrupting international trade, imposing tariffs, or restricting market access. OSAT companies with global operations may face challenges related to currency fluctuations, export controls, and compliance with trade regulations.

Customer Concentration: Dependence on a small number of major semiconductor customers exposes OSAT companies to risks associated with customer concentration. Loss of a key customer or a significant reduction in orders from major customers could have a detrimental impact on the financial performance and viability of OSAT providers.

Competitor Pressure: The semiconductor industry is highly competitive, with numerous global players vying for market share. Companies face intense pressure to innovate, reduce costs, and improve efficiency to stay ahead of their competitors. Failure to keep up with industry trends and competition can lead to market share erosion and financial setbacks.

Addressing these threats requires OSAT companies to adopt proactive strategies such as diversifying their customer base, investing in technology innovation, ensuring supply chain resilience, mitigating IP risks, and maintaining compliance with regulations. By actively monitoring market dynamics and implementing risk mitigation measures, OSAT providers can navigate challenges and sustain long-term success in the semiconductor ecosystem.

Threats to the Company:

1. Further to the incentives announced by the India Semiconductor Mission for Assembly, Test, Mark & Packaging units for providing Capex subsidy up to 50% with a minimum threshold investment of Rs.50Cr, few Companies have registered themselves for availing benefits out of this scheme. Hence your Company will have Competitors in near future within India.
2. Government of India has withdrawn the export incentives offered to the Company. Your Company is striving to reinstate the above benefits by taking up the case with appropriate government bodies in India.
3. Rising Employees costs and Energy costs & Pricing pressure from Customers
4. Orders slowdown due to Global inventory correction process with many Component suppliers.

Financial Performance

The financial performance is covered in the Directors' Report and can be referred there.

Financial Ratios:

Financial Ratios		
Financial Ratios	31-Mar-24	31-Mar-23
Current Ratio (in times)	1.01	1.2
Debt-Equity Ratio (in times)	0.84	0.51
Debt Service Coverage Ratio (in times)	(2.97)	0.28
Return on Equity Ratio (in %)	(50.75)	(6.24)
Inventory turnover ratio (in times)	0.27	0.22
Trade Receivables turnover ratio (in times)	7.93	7.68
Trade payables turnover ratio (in times)	0.67	0.56
Net capital turnover ratio (in times)	11.64	0.78
Net profit ratio (in %)	(139.85)	(27.67)

Analysis of Financial Ratios : (FY2023-24)

- a. The Net loss and drop in Return on Equity is due to Old inventory write off
- b. Increase in Debt-equity and Debt service coverage is due to additional Rs.1.5Cr availed from the bank and Rs.1Cr Unsecured loan
- c. Net Capital turn over increase is due to increase in Sales turnover irrespective of drop in Working Capital due to stock write off

Internal Control Systems and their Adequacy

The CEO and CFO certification provided in the Annual Report discusses the adequacy of our internal control systems and procedures.

Information Technology

The Company has taken necessary precautions towards ensuring safe operation of Internal servers and to prevent from any forms of Cyber-attacks.

Material Developments in Human Resources/Industrial Relations Front, including number of People Employed

Your Company values its human resource as the most significant asset and the key focus is to attract, retain and develop talent as a resource. Your Company provides a congenial working atmosphere which will foster creative thinking. As part of manpower development and to enhance operational efficiency, training programmes have been organised for employees at all levels, wherever necessary.

The HR programmes of the Company focus on building capabilities and engaging employees through various initiatives to help the organisation consolidate and achieve sustainable future growth for the business. The details of human resource development measures taken by the Company are also covered in the Directors' Report and can be referred to in the said Report.

The total strength of the Company as on 31st March, 2024: 103

Note-Risks and Concerns are covered under Opportunities and Threats.

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

Sd/-

Sd/-

Date:29.05.2024

Place: Chennai

**Swaminathan
Chandramohan
Director
DIN: 00052571**

**P. Balamurugan
Whole-Time Director
DIN: 07480881**

INDEPENDENT AUDITOR’S REPORT

To the members of **SPEL Semiconductor Limited**

Report on the Audited Financial Statements

Qualified Opinion

We have Audited the accompanying standalone financial statements of **SPEL Semiconductor Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

i) Attention is drawn to Note 2.2 of the accompanying statement where in the Company has incurred the losses and generated negative cash flows during the period under review and in earlier years. The above indicates that a material uncertainty exists that may cast significant doubt on Company’s ability to continue as a going concern. Pending resolution of the above uncertainty, the Company has prepared the aforesaid statement on going concern basis.

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

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 Board's Report including Annexures thereto but does not include the financial statements and our Auditor's report thereon.

Our 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 financial statements, or our knowledge obtained during the course of our 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.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 our 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 controls relevant to the Audit in order to design Audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the Audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the Audit evidence obtained up to the date of our 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We 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.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our Audit we report that:
 - a) We 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 our 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 Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the Directors as on March 31, 2024 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2024 from being appointed as a Director in terms of Section 164 (2) of the Act.
- 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**”. Our 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in “**Annexure B**”.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. No amounts 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, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 misstatement.

(d) The Company has not declared or paid any dividend during the year Hence we don't comment on the compliance with section 123 of the Companies Act, 2013.

v. The Company has not used accounting software (Tally Prime Edit Log 3.0.1) for maintaining its books of accounts for the financial year ended March 31,2024 which has a feature of recording Audit Trail.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure C**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

for **Venkatesh & Co.**,
Chartered Accountants
FRN: 004636S

Sd/-

CA Dasaraty V
Partner
M No: 026336

ICAI UDIN: 24026336BKCZJY4662

Chennai., 29th May 2024

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of SPEL Semiconductor Limited of even date)

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

We have Audited the internal financial controls over financial reporting of SPEL Semiconductor Limited (“the Company”) as of March 31, 2024 in conjunction with our Audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 respective 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

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our Audit. We conducted our 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 we 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.

Our Audit involves performing procedures to obtain Audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our 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.

We believe that the Audit evidence we have obtained, is sufficient and appropriate to provide a basis for our Audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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.

for **Venkatesh & Co.**,
Chartered Accountants
FRN: 004636S

Sd/-

CA Dasaraty V

Partner

M No: 026336

UDIN : 24026336BKCZJY4662

Chennai, 29th May 2024

ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **SPEL Semiconductor Limited** of even date)

- i. In respect of the Company's fixed assets:
- (a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
B) In respect of Intangible Assets, there were no intangible Assets hence reporting under this clause is not applicable.
 - (b) The Company has a program of verification to cover all the items of fixed assets 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 program, we were informed that, certain fixed assets were physically verified by the Management during the year. According to the information there were no material discrepancy were Noticed during such verification.
 - (c) In our opinion and according to the information and explanations given to us and the records examined by us, the title deeds of all the immovable properties disclosed in the financial statements are held in the name of the Company.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder
- i. a) In our opinion and according to information provided to us, the inventories have been physically verified during the year by the Management and no material discrepancy were Noticed during such verification.
b) The Company has been sanctioned with working capital limit in excess of ₹ 5 Crores in aggregate from banks or financial institutions on security of its land & building assets, and hence there is no requirement to file a monthly statement by the Company with the bank.
- i. The Company has not made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:
- (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
 - (b) The Company has not made investments (or) granted loan during the year and hence reporting under this clause is not applicable.
 - (c) The Company has not provided any loans or advances in the nature of loans and hence reporting under this clause is not applicable.

- (d) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. In our opinion and according to the information and explanations given to us, 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.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2024 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3 (vi) of the order is not applicable to the Company.
- vi. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has not been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, and other material statutory dues applicable to it with the appropriate authorities and the arrears of such dues outstanding as at 31/03/2024 for a period of more than six months from the date they became payable are:

(₹ in lakhs)

S No	Name of the statute	Nature of dues	Amount
1	Employees Provident fund Act, 1952	EPS payable	5.04
2	Employees Provident fund Act, 1952	EDLI payable	31.00
3	Employees Provident fund Act, 1952	Delayed Interest on EPF payable	142.51
4	Income Tax Act, 1961	Income tax payable u/s 147 for AY 2012-13	295.7
5	Income Tax Act, 1961	Income tax payable u/s 263 for AY 2015-16	179.19
6	Income Tax Act, 1961	Income tax Interest u/s 263 for AY 2017-18	7.35
7	Income Tax Act, 1961	Income tax payable u/s 263 for AY 2020-21	31.70
8	Income Tax Act, 1961 (TDS)	Traces Defaults	13.62
9	Goods & Services tax	GST RCM payable	27.79
10	Professional tax	Professional tax payable	1.39

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income tax, Sales tax, Service tax, Duties of customs, Duties of Excise, Value added tax which have not been deposited on account of any dispute, except the following

(₹ in lakhs)

S No	Name of the statute	Nature of dues	Amount	Period	Forum where dispute is pending
1	Income tax Act, 1961	Income Tax	65.53	AY 00 01	Madras High Court
2	Income tax Act, 1961	Income Tax	378.84	AY 12 13	Assessing Officer
3	Income tax Act, 1961	Income Tax	152.58	AY 15 16	Income Tax Appellate Tribunal
4	Income tax Act, 1961	Income Tax	658.65	AY 17 18	CIT Appeals

- vii. 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).
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon. Hence reporting under clause 3 (ix)(a) of the Order is not applicable.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The term loans have been utilized by the Company for the same purpose for which the loan has been sanctioned and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have, prima facie, been used during the year for long-term purposes by the Company.
- (e) The Company is not having any subsidiaries and hence reporting under this clause is not applicable.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3 (ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of Preference shares and hence reporting under this clause is not applicable.
- xi. (a) To the best of our knowledge and according to the information and explanations given to us, 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 upto the date of this report
- (c) The Company has not received any complaints from whistle blower during the year (and upto the date of this report).
- xi. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards
- xiv. (a) The Company has separate internal Audit system; the existing internal controls are commensurate with the size and the nature of its business.
- (b) The reports of Internal Auditor for the Audit period have been considered by the Statutory Auditor.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has incurred cash losses in the financial year amounting to Rs. 1349.14 in lakhs and in the immediately preceding financial year an amount of Rs. 56.82 lakhs.
- xviii. There has been no resignation of the statutory Auditors during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention (*except for the matters specified in basis for qualified opinion paragraph*), which causes us to believe that any material uncertainty exists as on the date of the Audit report indicating that Company is 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the Audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us, provisions of section 135 of Companies Act 2013 are not applicable to the Company. Hence, reporting under clause 3(xx)(a) & 3(xx)(b) of the Order is not applicable.

xxi. According to the information and explanations given to us, reporting under clause 3(xxi) of the Order is not applicable as the Company is not a Holding Company.

for **Venkatesh & Co.**,
Chartered Accountants
FRN: 004636S

Sd/-

CA Dasaraty V

Partner

M No: 026336

UDIN : 24026336BKCZJY4662

Chennai.,29th May 2024

SPEL Semiconductor Limited

5, CMDA Industrial Estate, Maraimalai Nagar TN 603209 IN
CIN: L32201TN1984PLC011434

Balance Sheet as at 31st March, 2024

(₹ in lakhs)

Particulars	Notes	31-Mar-24	31-Mar-23
Assets			
A) Non-Current Assets			
a) Property, Plant and Equipment and Intangible assets			
--- (i) Property, Plant and Equipment	4.1	25,54.34	28,70.26
--- (ii) Capital Work Inprogress	4.2	11.67	0.00
b) Investment Property	4.3	48,96.42	48,96.42
c) Financial Assets			
--- (i) Others	4.4	56.57	56.57
Total Non Current Assets		75,19.00	78,23.25
B) Current Assets			
a) Inventories	4.5	37,25.31	50,57.48
b) Financial Assets			
--- (i) Trade Receivables	4.6	1,17.32	1,85.26
--- (ii) Cash and Cash Equivalents	4.7	0.32	0.41
c) Other Current Assets	4.8	1,08.23	2,12.21
d) Assets held for sale	4.9	30,79.81	30,79.81
Total Current Assets		70,31.00	85,35.18
Total Assets		145,50.00	163,58.43
EQUITY & LIABILITIES			
A) Equity			
a) Equity Share Capital	5.1	46,13.25	46,13.25
b) Other Equity	5.2	(1,305.20)	3,39.74
Total Equity		33,08.05	49,53.00
B) Liabilities			
Non - Current Liabilities			
a) Financial Liabilities			

--- (i) Borrowings	5.3	19,60.50	19,09.48
--- (ii) Others	5.4	1,17.24	1,08.63
b) Provisions	5.5	98.13	1,69.63
c) Deferred tax liabilities (Net)	5.6	20,55.42	20,13.64
d) Other non-current liabilities	5.7	82.76	91.37
Total Non - Current Liabilities		43,14.05	42,92.76
Current Liabilities			
a) Financial Liabilities			
--- (i) Borrowings	5.8	8,29.54	6,21.24
--- (ii) Trade Payables			
total outstanding dues of micro enterprises and small enterprises; and	5.9	1.76	1.99
total outstanding dues of creditors other than micro enterprises and small enterprises		4,49.10	6,38.42
--- (iii) Others	5.10	1,30.57	1,00.82
b) Other Current Liabilities	5.11	53,69.44	56,16.47
c) Short Term Provisions	5.12	1,47.50	1,33.74
Total Current Liabilities		69,27.90	71,12.68
Total Equity & Liabilities		145,50.00	163,58.43

The accompanying notes form an integral part of the financial statements (Note No: 3)

for Venkatesh & Co.,

Chartered Accountants FRN: 004636S

Sd/-

CA Dasaraty V

Partner

M No: 026336

Chennai., 29th May 2024

For and on Behalf of the Board

Sd/-

S Chandramohan

Director

DIN: 00052571

Sd/-

P Balamurugan

Director

DIN: 07480881

Sd/-

G Venkatesan

CFO

SPEL Semiconductor Limited

5, CMDA Industrial Estate, Maraimalai Nagar TN 603209 IN
CIN: L32201TN1984PLC011434

Statement of Profit and Loss for the Year Ended 31st March, 2024

(₹ in lakhs)

S No	Particulars	Notes	31-Mar-24	31-Mar-23
I	Revenue from Operations	6.1	1,200.41	1,116.46
II	Other Income	6.2	1,40.96	6,96.10
III	Total Income (I+II)		13,41.38	18,12.55
IV	Expenses			
	Cost of materials consumed	7.1	4,77.24	6,68.47
	Changes in inventories of finished goods, Stock in trade, Work in Progress	7.2	1.97	(12,73.05)
	Employee Benefits Expense	7.3	3,94.85	7,48.66
	Finance costs	7.4	2,57.02	2,56.12
	Depreciation and amortisation expense	7.5	2,87.91	3,94.95
	Other expenses	7.6	5,83.18	5,77.98
	Total Expenses		20,02.17	13,73.13
V	Profit / (loss) before exceptional items and tax		(6,60.79)	4,39.42
VI	Exceptional Items	7.7	(9,76.18)	(8,91.19)
VII	Profit / (Loss) before tax		(16,36.97)	(4,51.77)
VIII	Tax Expense:			
	(i) Current Tax		-	-
	(ii) Deferred Tax		41.78	(1,59.25)
	(iii) Prior period Taxes		-	16.39
IX	Profit (Loss) for the period from continuing operations		(16,78.75)	(3,08.91)
X	Profit (Loss) for the period from discontinued operations		-	-
XI	Profit (Loss) for the period		(16,78.75)	(3,08.91)

XII	Other Comprehensive Income		33.80	(12.44)
XIII	Total Comprehensive Income		(16,44.95)	(3,21.35)
XIV	Earnings Per Share: (In ₹)			
	(1) Basic		(3.64)	(.67)
	(2) Diluted		(3.64)	(.67)

The accompanying notes form an integral part of the financial statements (Note No: 3) As per our report of even date attached

for Venkatesh & Co.,

Chartered Accountants FRN: 004636S

Sd/-

CA Dasaraty V

Partner

M No: 026336

Chennai., 29th May 2024

For and on Behalf of the Board

Sd/-

S Chandramohan

Director

DIN: 00052571

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CFO

SPEL Semiconductor Limited

5, CMDA Industrial Estate, Maraimalai Nagar TN 603209 IN
CIN: L32201TN1984PLC011434

Cash Flow Statement for the Year Ended 31st March, 2024 (₹ in lakhs)

Particulars		31-Mar-24	31-Mar-23
Cash Flows From Operating Activities:			
Profit/ (loss) for the year		(16,78.75)	(3,08.91)
Non cash & Non - operating items			
Add:			
Deferred tax		41.78	(1,59.25)
Depreciation & Amortisation Expenses		2,87.91	3,94.95
Bad & doubtful debts/advances provided		7.49	0.04
Foreign exchange (gains)/losses		(9.92)	33.38
Finance costs		2,57.02	2,34.59
Less:			
Interest received		-	7.74
Rent Income		1,40.83	1,35.95
Profit on sales of PPE		(46.28)	1.91
Cash Flow Before Working Capital changes:		(11,89.03)	49.20
Change in operating assets and liabilities			
Adjustments for changes for			
(Increase)/decrease in Inventories		13,32.17	1,75.00
(Increase)/decrease in Trade receivables		70.38	(80.46)
(Increase)/decrease in Other non current & current financial assets		-	1,12.45
(Increase)/decrease in Other non current & current assets		1,03.98	2,78.94
Increase/(decrease) in Trade payables		(1,89.55)	(4,10.30)
Increase/(decrease) in Other non current & current		38.36	(5,94.94)

financial liabilities			
Increase/(decrease) in Other non current & current liabilities		(10,25.65)	1,84.31
Increase/(decrease) in Non current & current provisions		(23.94)	(20.49)
Cash generated from operations		(8,83.27)	(3,06.28)
Less : Income taxes paid (net of refunds)		-	16.39
Net Cash Generated From Operating Activities (A)		(8,83.27)	(3,22.67)
Cash Flow from Investing Activities:			
Purchase of PPE (including changes in CWIP)		(29.92)	(50.33)
Advance for sale of capital asset		7,70.00	10,54.50
Interest received			7.74
Rent received		1,40.83	1,35.95
Sale of PPE		-	13.60
Movement in other bank balances		-	-
Net Cash flow used in Investing Activities (B)		8,80.91	11,61.46
Cash Flow from Financing Activities:			
Proceeds from/ (repayment of) borrowings		2,59.31	(6,04.50)
Finance costs		(2,57.02)	(2,34.59)
Net Cash flow used in Financing Activities (C)		2.29	(8,39.09)
Net Increase/(Decrease) in Cash and Cash Equivalents: (A+B+C)		(.09)	(.31)
Cash and cash equivalents at the beginning of the financial year		0.41	0.72
Exchange difference relating to foreign currency cash on hand		-	-
Cash and cash equivalents at end of the year		0.32	0.41
Components of cash and cash equivalents			
Balances with banks (in current accounts)		-	-
Cash in Hand		0.32	0.41
		0.32	0.41

1. The cash flow statement has been prepared in accordance with the requirements of Indian Accounting

Standards issued by the Institute of Chartered Accountants of India.

2. Cash flows have been reported using the indirect method, whereby the net profit is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments, segregating between cash flows.
3. Significant cash and cash equivalent balances held by the enterprise are available for use by the Company.

for Venkatesh & Co.,

Chartered Accountants FRN: 004636S

Sd/-

CA Dasaraty V

Partner

M No: 026336

Chennai., 29th May 2024

For and on Behalf of the Board

Sd/-

S Chandramohan

Director

DIN: 00052571

Sd/-

P Balamurugan

Director

DIN: 07480881

Sd/-

G Venkatesan

CFO

Note 1: Corporate Information

SPEL Semiconductor Limited (“the Company”) is a public limited Company incorporated and domiciled in India and governed by the Companies Act, 2013 (“Act”). The Company’s registered office and factory is situated at 5, CMDA Industrial Estate, MM Nagar, Chennai, Tamil Nadu, India. SPEL is India’s 1st and only semiconductor IC (Integrated Circuit) Assembly & Test facility based in Chennai. SPEL has been servicing the demanding US market for over 20 years now.

Note 2: Basis of preparation of financial statements

A) Basis of preparation and presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (‘the Act’) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied

B) Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period

The estimates and assumptions used in these Ind AS financial statements are based on Management’s evaluation of the relevant facts and circumstances as of the date of the Ind AS financial statements. The actual amounts may differ from the estimates used in the preparation of the Ind AS financial statements and the difference between actual results and the estimates are recognised in the period in which the results are known/materialise.

C) Functional and presentation currency

These financial statements are presented in Indian Rupees in Lakhs, which is the Company’s functional currency.

D) Current and Non-Current Classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
 - Held primarily for the purpose of trading.
 - Expected to be realized within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period,
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.

- It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified 1 month as its operating cycle.

Note 3: Significant Accounting Policies

Inventories: (Ind AS 2)

Inventories are valued in accordance with the method of valuation prescribed by The Institute of Chartered Accountants of India at lower of cost or net realizable value.

Cost of raw materials, stores, spares, consumable tools and traded goods comprises cost of purchases and includes taxes and duties and is net of eligible credits under GST scheme. Cost of work-in-progress, work-made components and finished goods comprise direct materials, direct labour and an appropriate proportion of variable and fixed overheads, which is allocated on a systematic basis. Cost of inventories also includes all other related costs incurred in bringing the inventories to their present location and condition

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost of inventories are determined as follows:

- Raw materials, stores, spares, consumable tools, traded goods: on moving weighted average basis; and
- Work-in-progress and finished goods: on moving weighted average basis plus appropriate share of overheads.

Cost of obsolete / non-moving inventories is provided based on policy adopted from transition date (April 1, 2016) which is as under:

Raw Materials, Consumables and spare parts non-moving over two years are provided in statement of profit and loss. Work-in-progress and finished goods non-moving over considerable period of time are provided in statement of profit and loss.

Cash Flow Statement: (Ind AS 7)

Cash flows are reported using the indirect method, where by profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Taxes on Income: (Ind AS 12)

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognize directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Property, Plant & Equipment: (Ind AS 16)

Property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Freehold land is not depreciable, hence no depreciation charged to statement of profit and loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Type of Assets	Period
Building	30 Years
Computer & Peripherals	3 Years
Plant & Machinery	15 Years
Office Equipment	5 Years
Furniture & Fittings	8 Years

Revenue Recognition: (Ind AS 18)

Sale of goods:

Revenue from sale of products is recognized at the point in time when control of the asset is transferred to the customer, generally when the product is shipped to the customer and accepted by the customer.

Revenue is measured at the fair value of the consideration received or receivable.

Sale of services:

Revenue from services is recognized on completion of the service in accordance with the terms of contract and upon customer acceptance.

Other income:

Other income is comprised primarily of interest income and Rental Income from lease of property. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Employee Benefits: (Ind AS 19)

Retirement benefit costs and termination benefits:

Payments to defined contribution plans i.e., Company's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

For defined benefit plans i.e. Company's liability towards gratuity (partly funded), other retirement/ terminations benefits and compensated absences, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Defined benefit costs are comprised of:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise of actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Short term Employee Benefits:

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

In respect of Gratuity, the Company offers a non-contributory defined benefit plan to its Employees. The liability for the same, as at the year end, is provided for on the basis of Actuarial Valuation. The entity is operating through SPIC Electronic & System Limited Gratuity fund for all payments related to gratuity and the trust accounts are subjected to Audit.

In respect of Provident fund, the employees and the Company make fixed monthly contributions to the SPEL Semiconductor Limited Provident Fund equal to a specified percentage of the covered employee's salary. The interest rate payable by the Trust to the beneficiaries is being notified by the aforesaid Trust every year which is not less than the interest rate notified by the Government of India under the Employees Provident Fund Scheme. The Company has an obligation to make good the shortfall, if any, in the fund.

Foreign Currency Transactions: (Ind AS 21)

- a) Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

- b) Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.
- c) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).
- d) Gain on Foreign exchange (recognized in P&L a/c) –9.92 Lakhs
- e) Earnings in Foreign Currency – 1,082.31 Lakhs (\$ 13,09,715.05)
- f) Expenditure in foreign currency – 5.23 Lakhs (\$ 6,270.55)
- g) Value of Imports (on C.I.F basis) – 488.76 Lakhs (\$ 5,91,005.39)

Borrowing Costs: (Ind AS 23)

Borrowing cost include interest computed using effective interest rate method, amortisation of ancillary costs incurred and exchange differences from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset is capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

Related Party Disclosure: (Ind AS 24)

- a) List of parties having significant influence

Ultimate Holding Company	: Natronix Semiconductor Technology PTE LTD (Singapore)
Fellow Subsidiaries	: Natronix Semiconductor Technology Private Limited
Key Managerial Personnel	: i) P Balamurugan - Whole time Director
	ii) G Venkatesan - Chief Financial Officer
	iii) S Sivaraman - Company Secretary

b) Transaction with related parties (Other than KMP):

(₹ in lakhs)

Name of the Related Party	Nature of Relationship	Nature of Transaction	FY 23-24	FY 2223
Natronix Semiconductor Technology PTE LTD (Singapore)	Ultimate Holding Company	Business Promotion	-	-

c) Transaction with related parties (KMP):

(₹ in lakhs)

Name of the Related Party	Nature of Transaction	FY 23-24	FY 2022 23
D Balakrishnan	Director Remuneration	-	16.05
P Balamurugan	Director Remuneration	12.63	17.02
G Venkatesan	CFO Remuneration	3.70	5.13
S Sivaraman	CS Remuneration	4.00	6.10

Earnings per Share & Diluted Earnings per Share (Ind AS 33)

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

(₹ in lakhs)

Particulars	2023-24	2022-23
Opening No. of Shares	4,61,17,443	4,61,17,443
Total No. of shares	4,61,17,443	4,61,17,443
Profit After Tax	(1678.74)	(308.90)
Earnings Per Share (in ₹)	(3.64)	(0.67)
Diluted Earnings per Share (in ₹)	(3.64)	(0.67)

Impairment of Assets: (Ind AS 36)

At the end of each reporting period, the Company determines whether there is any indication that its assets (property, plant and equipment, intangible assets) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount (i.e. higher of the fair value less costs of

disposal and value in use) of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Provisions, Contingent Liabilities and Contingent Assets (Ind AS 37)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made if realisation of money is doubtful in the judgement of the Management.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause Notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent Assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. Contingent assets are disclosed but not recognized in the financial statements.

Details of contingent liabilities and contingent assets are tabulated as follows (₹ in Lakhs)

Particulars	2023-24	2022-23
Contingent Liabilities		
Claims against the Company not acknowledged as debt in respect of:		
i) Income Tax Dues:		

Particulars	2023-24	2022-23
AY 2000 01	65.53	65.53
AY 2012 13	378.84	378.84
AY 2015 16	152.58	152.58
AY 2017 18	658.65	658.65
	1255.60	1255.60
ii) Service Tax		
AY 1991 92	2.61	2.61
AY 1992 93	19.27	19.27
AY 1993 94	9.61	9.61
AY 1996 97	1.13	1.13
Less: acknowledged as debt in books of accounts	(24.05)	(24.05)
	8.56	8.56
iii) SEBI Penalty		
	16.89	16.89
	16.89	16.89
Contingent Assets	-	-
Excess of Contingent Liability over Contingent Assets	1,281.06	1,281.06

Non - Current Assets Held for Sale: (Ind AS 105)

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met:

- Decision has been made to sell.
- The assets are available for immediate sale in its present condition.
- The assets are being actively marketed and
- Sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortized.

Operating Segment Reporting (Ind AS 108)

The Company is engaged in the business of "wafer sort, assembly, test and drop-shipment services of IC chips." and therefore, has reported under each reportable segment as per Ind AS 108 "Operating Segments"

Information relating to Geographical Areas

a. Revenue from External Customers

(₹ in Lakhs)

Particulars	31-03-2024	31-03-2023
India	17.37	12.92
Other than India (Foreign Countries)	1,183.04	1,103.54
Total	1200.41	1,116.46

b. Non - current assets

The assembly and testing facilities of the Company is situated in India and no non-current assets are held outside India.

c. Information about major customers

Clients individually accounted for more than 10% of turnover during the year

(₹ in Lakhs)

Name of the Party	FY 2023-2024	FY 2022-2023
Renesas Electronics	137.31	138.74
Syrma SGS Technology Limited	254.95	300.26
Productivity Engineering GMBH	147.18	125.24
THAT Corporation	108.70	108.12

Financial Instrument: (Ind AS 109)

Financial Assets:

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognized at fair value, in case of financial assets which are recognized at fair value through profit and loss (FVTPL), their transaction costs are recognized in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- amortized cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Trade Receivables and Loans:

Trade receivables are initially recognized at fair value. Subsequently, these assets are held at amortized cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts

estimated future cash income through the expected life of financial instrument.

Provision of Expected Credit Loss (ECL) as per Ind AS 109 has not been considered in the books of accounts for the receivables outstanding for a period of more than six months.

Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value; the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. A fair value change on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss. The Company does not have any investments in equity instruments as on balance sheet date.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Asset:

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category. For financial assets other than trade receivables, as per Ind AS 109, the Company recognizes 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e., expected cash shortfall. The impairment losses and reversals are recognised in Statement of Profit and Loss.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost

unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Leases: (Ind AS 116)

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

Note 8: Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

Note 9: Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under *

- (a) The principal amount remaining unpaid at the end of the year – **Rs.1.76 lakhs**
- (b) The delayed payments of principal amount paid beyond the appointed - **Nil**
- (c) Interest actually paid under Section 16 of MSMED Act - **Nil**
- (d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms – **Rs. Nil**
- (e) Total interest accrued during the year and remaining unpaid – **Nil**

* This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 10:

In compliance with Notification issued by Government of India (MCA) on amended format of Schedule III vide its order dated 24th March 2021, the figures appearing in financial statements have been rounded off to nearest lakhs (for both current and previous reporting periods).

Note 11:

Previous year's figures have been re-classified/ re-grouped as found wherever necessary.

for Venkatesh & Co.,
Chartered Accountants FRN: 004636S

Sd/-
CA Dasaraty V
Partner
M No: 026336
Chennai., 29th May 2024

For and on Behalf of the Board

Sd/-
S Chandramohan
Director
DIN: 00052571

Sd/-
P Balamurugan
Director
DIN: 0748088

Sd/-
G Venkatesan
CFO

SPEL Semiconductor Limited

5, CMDA Industrial Estate, Maraimalai Nagar TN 603209 IN

CIN: L32201TN1984PLC011434

**Schedule of Property, Plant & Equipment and Companies Act, 2013
Depreciation for the year ended 31st March 2024**

(₹ In lakhs)

S No	Particulars	Gross Block			Depreciation				Net Block		
		As on 01-04-2023	Additions	Deletion/ Adjustm	As on 31-03-2024	As on 01-04-2023	For the period	Deduction /	As on 31-03-2024	As at 31-03-2024	As at 31-03-2023
1	Buildings	2,96.59	-	-	2,96.59	2,62.45	1.38	-	2,63.83	32.76	34.14
2	Computer	6.82	-	-	6.82	4.91	1.83	-	6.74	0.07	1.90
3	Plant & Machinery	41,53.21	18.27	2,58.52	39,12.96	32,50.32	2,84.44	2,12.24	33,22.52	5,90.44	9,02.89
4	Office Equipment	2.71	-	-	2.71	2.28	0.26	-	2.54	0.17	0.43
5	Furniture & Fittings	11.22	-	-	11.22	11.22	-	-	11.22	-	-
6	Land	19,30.90	-	-	19,30.90	-	-	-	-	19,30.90	19,30.90
	Total	64,01.45	18.27	2,58.52	61,61.20	35,31.19	2,87.91	2,12.24	36,06.86	25,54.34	28,70.26

S No	Particulars	Gross Block			Depreciation				Net Block		
		As on 01-04-2022	Additions	Deletion/ Adjustments	As on 31-03-2023	As on 01-04-2022	For the period	Deduction / Adjustments	As on 31-03-2023	As at 31-03-2023	As at 31-03-2022
1	Buildings	2,80.95	15.64	-	2,96.59	2,59.23	3.22	-	2,62.45	34.14	21.72
2	Computer	5.59	1.23	-	6.82	3.13	1.78	-	4.91	1.90	2.46
3	Plant & Machinery	41,75.90	33.09	55.79	41,53.21	29,04.82	3,89.60	44.10	32,50.32	9,02.89	12,71.09
4	Office Equipment	2.34	.38	-	2.71	1.95	.33	-	2.28	.43	.39
5	Furniture & Fittings	11.22	-	-	11.22	11.21	.01	-	11.22	-	.01
6	Land	25,32.42	-	6,01.53	19,30.90	-	-	-	-	19,30.90	25,32.42
	Total	70,08.43	50.33	6,57.31	64,01.45	31,80.34	3,94.95	44.10	35,31.19	28,70.26	38,28.09

4.2) Capital Work in Progress

S No	Particulars	31-Mar-24	31-Mar-23
1	Machinery under Installation	11.67	-
Total		11.67	-

S No	Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 Years	Total
1	Projects in progress	11.67	-			11.67
2	Projects temporarily suspended	-	-	-	-	-
Total		11.67	-			11.67

i) The financial statements have been prepared measuring the Property, Plant and Equipment and intangible assets at fair values at April 1, 2016 and use such fair value as its deemed cost as of the transition date., as explained in the accounting policies below.

Notes on accounts Balance Sheet (Assets) for the Year Ended 31st March, 2024

(₹ In lakhs)

4.3) Investment Property	31-Mar-24	31-Mar-23
Particulars		
Cost of the asset		
Opening balance	48,96.42	48,96.42
Additions	-	-
Reclassification	-	-
Total	48,96.42	48,96.42
4.4) Others	31-Mar-24	31-Mar-23
Particulars		
Unsecured, Considered good:		
Security Deposits	56.57	56.57
Total	56.57	56.57
4.5) Inventories	31-Mar-24	31-Mar-23
Particulars		
Raw materials and components	1,16.62	1,95.47
Work-in-progress	18.93	20.90
Stores, spares and consumable tools	1,83.98	56.64
Finished goods	34,05.78	47,84.47

Total	37,25.31	50,57.48
4.7) Cash & Cash Equivalents	31-Mar-24	31-Mar-23
Particulars		
Cash on Hand	0.32	0.41
Total	0.32	0.41
4.8) Other Current Assets	31-Mar-24	31-Mar-23
Particulars		
Supplier advances		1,05.63
GST Credit (Input Tax Credit)	4.66	6.33
Prepaid Expenses	-	5.87
Rent Receivable	6.21	16.50
Others	0.11	-
Income tax refund receivable	97.25	77.89
Total	1,08.23	2,12.21
4.9) Assets held for Sale *	31-Mar-24	31-Mar-23
Particulars		
Freehold land - Maraimalai Nagar	30,79.81	30,79.81
Less : Impairment	-	-
Total	30,79.81	30,79.81

*The Company has classified the above assets as held for sale as the Company intends to realise benefit from these assets mainly through sale and not through continued use of the same for Company's operations. On initial recognition the assets held for sale is measured at lower of carrying cost and fair value less costs to sell.

(₹ In lakhs)

4.6) Trade Receivables (*)	31-Mar-24	31-Mar-23
Particulars		
Unsecured, Considered Good:		
Receivables outstanding for less than 6 months	1,16.91	1,74.65
Receivables outstanding for more than 6 months	0.42	10.62
	1,17.32	1,85.26
Doubtful:		
Receivables outstanding for less than 6 months	-	-
Receivables outstanding for more than 6 months	-	-
	-	-
Total	1,17.32	1,85.26

* Balances are subject to confirmation and reconciliation

Trade receivables ageing schedule for the year ended as on March 31, 2024 and March 31, 2						
Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 Years	More than 3 Years	Total
Undisputed Trade receivables - Consider	1,16.91	0.42	-	-	-	1,17.32
(Previous Year figures - FY 22-23)	1,74.65	3.15	7.24	0.23	-	1,85.26
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivables - credit im	-	-	-	-	-	-
Disputed Trade receivables - considered	-	-	-	-	-	-
(Previous Year figures)	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(Previous Year figures)	-	-	-	-	-	-
Disputed Trade receivables - credit impai	-	-	-	-	-	-
Total Trade Receivables	1,16.91	0.42	-	-	-	1,17.32
(Previous Year figures - FY 22-23)	1,74.65	3.15	7.24	0.23	-	1,85.26

(₹ In lakhs)

5.1) Equity Share Capital	31-Mar-24	31-Mar-23
Particulars		
Authorised Capital		
6,00,00,000 (6,00,00,000) Equity Shares of ₹ 10 each	6,000.00	6,000.00
Total	6,000.00	6,000.00
Issued		
4,61,47,613 (4,61,47,613) Equity Shares of ₹ 10 each	4,614.76	4,614.76
Total	4,614.76	4,614.76
Subscribed & Paid-up Capital		
4,61,47,613 (4,61,47,613) Equity Shares of ₹ 10 each	4,614.76	4,614.76
Less: 30,170 Forfeited shares equity Shares of ₹ 5 each	(1.51)	(1.51)
Total	4,613.25	4,613.25

Number of Equity Shares at the beginning and end of the current and previous reporting periods

Particulars	31-Mar-24		31-Mar-23	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the reporting period	46,117,443	461,325,280	46,117,443	461,325,280
Changes in Equity Share Capital due to prior	-	-	-	-

period errors				
Restated balance at the beginning of the reporting period	-	-	-	-
Changes in Equity Share Capital during the period	-	-	-	-
Balance at the end of the reporting period	46,117,443	461,325,280	46,117,443	461,325,280

Details of Shareholders holding more than 5% shares in the Company

Name of Shareholder	31-Mar-24		31-Mar-22	
	No. of shares	% of Holding	No. of shares	% of Holding
Natronix Semiconductor Technology PTE LTD (Singapore)	25,811,207	55.97%	25,811,207	55.97%

Rights, preferences and restrictions in respect of equity shares issued by the Company

The Company has only one class of equity shares having a par value of ₹ 10 each. The equity shares of the Company having par value of ₹ 10 rank pari-passu in all respects including voting rights and entitlement to dividend.

Shareholding of Promoter as at 31/03/2024

Name of the Promoter	As at 31/03/2024			As at 31/03/2023	
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total share
Valli Arun	975,350.00	2.11%	-	975,350.00	2.11%
AR RM Arun	408,223.00	0.89%	-	408,223.00	0.89%
AC Mutthiah	4,000.00	0.01%	0.01%	-	-
AC Mutthiah - HUF	-	-	-0.01%	4,000.00	0.01%
Vibrant Industries Private Limited	90,000.00	0.20%	-	90,000.00	0.20%
Natronix Semiconductor Technology PTE LTD (Singapore)	25,811,207.00	55.97%	-	25,811,207.00	55.97%

Notes on accounts _ Balance Sheet (Equity & Liabilities) for the Year Ended 31st March, 2024

(₹ In lakhs)

5.2) a. Other Equity	Reserves & Surplus			Total as on 31-03-2024
Particulars	General Reserve	Other comprehensive Income	Securities Premium Reserve	
Balance at the Beginning of the Current Reporting Period	78.34	2,14.06	47.35	3,39.74
Changes in accounting Policy/prior period errors	-	-	-	-
Additions: Profit of Current Reporting period	(16,78.75)	-	-	(16,78.75)
Total Comprehensive Income for the	-	33.80	-	33.80

year				
Dividends	-	-	-	-
Transfer to Retained Earnings	-	-	-	-
Premium on Equity Shares issued during the year	-	-	-	-
Balance at the End of the Current Reporting Period	(16,00.40)	2,47.85	47.35	(13,05.20)

5.2) b. Other Equity	Reserves & Surplus			Total as on 31-03-2023
	General Reserve	Other comprehensive Income	Securities Premium Reserve	
Balance at the Beginning of the Current Reporting Period	3,87.25	2,26.50	47.35	6,61.09
Changes in accounting Policy/prior period errors	-	-	-	-
Additions: Profit of Current Reporting period	(3,08.90)	-	-	(3,08.90)
Total Comprehensive Income for the year	-	(12.44)	-	(12.44)
Any Other Change	-	-	-	-
Dividends	-	-	-	-
Transfer to Retained Earnings	-	-	-	-
Premium on Equity Shares issued during the year	-	-	-	-
Balance at the End of the Previous Reporting Period	78.34	2,14.06	47.35	3,39.74

Nature and purpose of Reserves:

i) General Reserve

Represents accumulated profits earned by the Company and remaining undistributed as on date.

ii) Other Comprehensive Income

The reserve is in accordance with provisions of Indian Accounting Standards

iii) Securities Premium Reserve

Represents the premium on issue of equity shares and can be utilized in accordance with the provisions of Companies Act, 2013

(*) Affected component of equity on voluntary change in accounting policy (Ind AS 18 - Revenue Recognition) for the earliest period presented. Refer to Note No: 2 A) of Annual Accounts

5.3) Borrowings				31-Mar-24	31-Mar-23
Particulars					
Secured:					
i) Bonds or Debentures (*)				6,25.93	5,75.57
ii) Term Loan					
-- from banks (#)				4,47.18	5,18.00

				10,73.11	10,93.57
Less: Current Maturities of Long term Borrowings				76.00	76.00
				9,97.11	10,17.57
Unsecured:					
ii) Term Loan					
-- from other parties (^)				9,63.39	8,91.91
				9,63.39	8,91.91
Total				19,60.50	19,09.48

(*) Secured against the plant & machinery as per the debenture trust deed entered with SBICAP Trustee Company Limite(#)
 Secured against the mortgage of factory land & building
 (^) Balances are subject to confirmation and reconciliation.

5.4) Other financial liabilities				31-Mar-24	31-Mar-23
Particulars					
Caution Deposit				0.00	0.00
Rental Deposit				1,17.24	1,08.63
Total				1,17.24	1,08.63

5.5) Provisions				31-Mar-24	31-Mar-23
Particulars					
Provision for employee benefits					
-- Gratuity				98.13	1,69.63
-- Compensated absence					0.00
Total				98.13	1,69.63

5.7) Other non - current liabilities				31-Mar-24	31-Mar-23
Particulars					
Advance Income - Rental Deposit (Ind AS)				82.76	91.37
Total				82.76	91.37

5.8) Borrowings				31-Mar-24	31-Mar-23
Particulars					
Secured:					
i) from Banks (*)					
-- IOB Overdraft				6,53.54	5,00.84
-- Covid 19 Loan from IOB Bank - I				0.00	44.40
-- IOB PC A/c Ags Orders				0.00	0.00

ii) from Others					
Kaynes Technology				1,00.00	0.00
Current Maturities of Long term Borrowings					
i) from Banks				76.00	76.00
Total				8,29.54	6,21.24

(*) Secured against the mortgage of factory land & building

5.9) Trade Payables (*)			31-Mar-24	31-Mar-23
Particulars				
total outstanding dues of MSME; and (#)			1.76	1.99
total outstanding dues of creditors other than MSME (#)			4,49.10	6,38.42
Total			4,50.86	6,40.41

* Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management represents the principal amount payable to these enterprises. There is interest due and outstanding as on the reporting date.

Balances are subject to confirmation and reconciliation.

Trade payables ageing schedule for the year ended as on March 31, 2024 and March 31, 2023:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	0.38			1.38	1.76
(Previous Year 22-23)				1.99	1.99
Others		4,49.10			4,49.10
(Previous Year 22-23)	1,17.88	1,32.76	1,84.53	2,03.25	6,38.42
Disputed Dues - MSME	0.00	0.00	0.00	0.00	0.00
Disputed Dues - Others	0.00	0.00	0.00	0.00	0.00
Total	.38	4,49.10	.00	1.38	4,50.86
(Previous Year 22-23)	1,17.88	1,32.76	1,84.53	2,05.24	6,40.41
5.10) Other financial liabilities				31-Mar-24	31-Mar-23
Particulars					
Interest accrued and due on secured loans				31.41	31.41

Interest accrued and due on unsecured loans				99.15	69.40
Others					0.00
Total				1,30.57	1,00.82
5.11) Other Current Liabilities				31-Mar-24	31-Mar-23
Particulars					
Advance from customers				38.69	2,74.46
Statutory liabilities				6.75	1,81.66
Advances for Sale of Capital Asset				47,19.50	39,49.50
Employee benefits				3,86.91	8,86.51
Outstanding Liabilities				2,17.59	3,24.35
Total				53,69.44	56,16.47

5.12) Short term Provisions				31-Mar-24	31-Mar-23
Particulars					
Provision for Employee Benefits					
-- Gratuity				81.67	55.15
-- Compensated absence				38.89	38.89
Provision for Tax				26.95	39.70
Total				1,47.50	1,33.74

Notes forming part of Statement of Profit & Loss for the Year Ended 31st

(Rs. In Lakhs)

6.1) Revenue from Operations		
Particulars	31-Mar-24	31-Mar-23
Revenue from Sales		
-- Export Sales	11,98.10	11,03.54
Revenue from Services	2.31	12.92
Total	12,00.41	11,16.46
6.2) Other Income		
Particulars	31-Mar-24	31-Mar-23
Interest Income - Deposits	-	5.97
Interest Income - Others	-	1.77
Rental Income	1,40.83	1,35.95
Profit on Sales of PPE	-	1.91
Miscellaneous Income	0.13	0.40
Other Income - Amortised cost (IND AS)	-	5,50.09
Gain on Exchange fluctuation	-	-
Total	1,40.96	6,96.10

7.1) Cost of materials consumed	31-Mar-24	31-Mar-23
Particulars		
Inventory at the beginning of the year	1,95.47	2,56.04
Add: Purchases & Other Expenses	3,98.39	6,07.91
Less: Inventory at the end of the year	1,16.62	1,95.47
Total	4,77.24	6,68.47
7.2) Changes in inventories of finished goods, Stock in trade, Work in Progress	31-Mar-24	31-Mar-23
Particulars		
Opening Balance		
-- Work in Progress - IC chips	20.90	7,56.25
-- Finished Goods	46,80.61	40,43.09
Closing Balance		
-- Work in Progress - IC chips	18.93	5,73.01
-- Finished Goods	46,80.61	54,99.39
Total Change in inventories	1.97	(12,73.05)
7.3) Employee Benefits Expense	31-Mar-24	31-Mar-23
Particulars		
Salaries, wages and bonus	3,53.50	6,28.38
Contribution to Provident and other funds	25.40	84.45
Staff Welfare Expenses	15.95	35.83
Total	3,94.85	7,48.66
7.4) Finance Costs	31-Mar-24	31-Mar-23
Particulars		
Interest on Bank Borrowings	1,08.37	1,05.55
Interest on Unsecured Borrowings	1,53.19	30.38
Interest on Others	(4.54)	98.66
Bank Charges	-	21.52
Total	2,57.02	2,56.12
7.5) Depreciation And Amortisation Expenses	31-Mar-24	31-Mar-23
Particulars		
Depreciation	2,87.91	3,94.95
Total	2,87.91	3,94.95
7.6) Other Expenses	31-Mar-24	31-Mar-23
Particulars		
Auditors Remuneration		
-- Statutory Audit fee	3.00	5.00
Business Promotion	-	2.99
Bad and doubtful debts	7.49	0.04

Car Hire charges	2.67	9.80
Communication expenses	1.09	1.70
Director sitting fees	2.72	2.28
Power and fuel	2,50.64	2,78.53
Legal and professional charges	48.93	89.90
Insurance	12.31	11.98
Loss on exchange fluctuation	(9.92)	33.38
Miscellaneous	9.14	7.35
Postage, Printing & Stationery	1.38	0.79
Rates and taxes	28.52	61.20
Repairs and maintenance		
-- Buildings	12.60	9.03
-- Plant and machinery	1.77	0.39
-- Others	24.22	10.01
Security charges	14.30	11.73
Travelling & Conveyance	-	
-- Foreign travel	5.22	34.91
-- Domestic Travel	2.02	6.98
Bank Charges	16.47	-
Loss on Sale of PPE	46.28	-
Consumption of stores and tools	1,02.32	-
Total	5,83.18	5,77.98
7.7) Exceptional items	31-Mar-24	31-Mar-23
Particulars		
Termination Compensation for Employees	-	-
Stock Written Off - WIP - IC	-	(5,52.11)
Stock Written Off - FG	(12,74.83)	(7,14.92)
Credit balances written back	2,98.66	3,75.84
Total	(9,76.18)	(8,91.19)

Sub schedules forming part of Balance Sheet and Statement of Profit & Loss for the year ended 31st March, 2024

Rs. In Lakhs

Particulars	Mar 31, 2024	Mar 31, 2023
Freight deposit	0.50	0.50
Rental deposit	-	-
TNEB deposit	56.07	56.07
Gas Cylinder deposit	-	-
Total	56.57	56.57

Income tax refund receivable		
Particulars	Mar 31, 2024	Mar 31, 2023
Income tax refund receivable - FY 2016 17	8.15	8.15
Income tax refund receivable - FY 2017 18	14.63	14.63
Income tax refund receivable - FY 2018 19	12.70	12.70
Income tax refund receivable - FY 2019 20	12.36	12.36
TDS & TCS Receivable (24/ 23/ 22/ 21)	49.41	30.05
Total	97.25	77.89

Balances with banks		
Particulars	Mar 31, 2024	Mar 31, 2023
Indian Overseas Bank - MM Nagar	-	-
Total	-	-

Long term Borrowings

Particulars	Mar 31, 2024	Mar 31, 2023
Secured Debentures		
AC Mutthiah	312.96	287.78
Devaki Mutthiah	312.96	287.78
	625.93	575.57
Secured Term loans from Banks		
Indian Overseas Bank	252.18	323.00
Covid 19 Loan from IOB Bank - II	195.00	195.00
	447.18	518.00
Less:		
Current Maturities of Long term debt		
Indian Overseas Bank	76.00	76.00

		0
	76.00	76.00
		0
Unsecured Term Loans		
from Others		
Dr A.C.Muthiah HUF I	2,88. 61	2,65. 39
Dr.A.C.Muthiah HUF II	2,91. 23	2,67. 80
Dr A.C.Muthiah Individual	2,85. 05	2,17. 98
Dr A.C.Muthiah- Unsecured	71.50	65.7 4
Accuspeed Enginnering Services India Private Limite	27.00	75.0 0
ACM Educational Foundation Short Term		-
ACM Educational Foundation		-
	9,63. 39	8,91. 91
Total	19,60 .50	19,0 9.48

Interest accrued and due on secured loans		
Particulars	Mar 31, 2024	Mar 31, 2023
Interest Accrued on Debentures - Dr.A.C.Muthiah	15.45	15.4 5
Interest Accrued on Debentures - Mrs.Devaki Muthia	15.97	15.9 7
Total	31.41	31.4 1

Interest accrued and due on unsecured loans

Particulars	Mar 31, 2024	Mar 31, 2023
Interest Accrued - Dr.A.C Muthiah HUF I	23.70	13.17
Interest Accrued - Dr.A.C Muthiah HUF II	20.46	20.46
Interest Accrued - Dr.A.C Muthiah Individual	29.53	15.82
Interest accrued & due Accuspeed	25.47	19.96
Others	-	-
Total	99.15	69.40

Employee Benefits		
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Particulars	Mar 31, 2024	Mar 31, 2023
EPF loan recoveries	0.60	0.60
Employees Payable - Gratuity	97.48	130.21
Salaries & Wages Payable	2,20.39	6,79.44
Provision for Medical Entitlement	11.95	11.95
Sesso Deduction	0.34	0.96
Staff Welfare - Cultural	0.49	1.03
Thrift Subscription	55.59	62.26
VPF Recoveries	0.06	0.06
Total	3,86.91	8,86.51

Advance from customers		
Particulars	Mar 31, 2024	Mar 31, 2023
JVD Tooling	22.89	54.58
HMT	-	1.53
IC-Logic	-	18.16
IRC	4.87	5.77
Koa Japan	0.72	0.71
Koa Speer	-	3.38
MCC	8.73	10.93
NVE	-	22.87
Productivity Engineering	1.49	14.36
Renesas	-	80.27
Syrma Tech	-	35.96
TE Connectivity	-	9.42
That Corporation	-	16.51
Total	38.69	2,74.46

Statutory Liabilities		
Particulars	Mar 31, 2024	Mar 31, 2023
TDS, TCS payable	1.46	3.08
ESIC payable	0.20	0.05
EPF payable	2.23	4.11
EPS Payable	1.47	1.66
GST payable	-	1,36.43
Professional tax payable	1.39	12.28
Service Tax	-	24.05
Total	6.75	1,81.66
Advance for Sale of Capital Asset		
Particulars	Mar 31, 2024	Mar 31, 2023
Sri Hayagreevar Education Foundation	26,80.00	22,10.00
ACM Educational Foundation	3,02.00	3,02.00
ACM Medical Foundation	6,13.00	6,13.00

G Ramamoorthy	11,24.50	8,24.50
Total	47,19.50	39,49.50

Schedule of Depreciation as per Income Tax Act, 1961 for the Year Ended as at 31st Mar

(₹ in lakhs)

Particulars	As at 01-04-2023	Additions		Deletions	Depreciation		As at 31-03-2024
		More than 180 days	Less than 180 days		Rate	Amount	
Block - I (10%)							
Furniture & Fittings	17.81	-	-	-	10%	1.78	16.03
Buildings	39.37	-	-	-	10%	3.94	35.43
Block - II (15%)							
Plant & Machinery	2,33.01	18.19	-	1,74.05	15%	11.57	65.58
Block - III (25%)							
Intangible assets	0.09	-	-	-	25%	0.02	0.07
Block - IV (30%)							
Plant & Machinery	1,98.42	-	-	84.47	30%	34.19	79.76
Block - V (40%)							
Plant & Machinery	2.39	-	-	-	40%	0.96	1.43
Total	4,91.09	18.19	-	2,58.52		52.46	1,98.30

Statement of Changes in Equity for the Year Ended 31st March, 2024

(₹. In Lakhs)

Particulars			31-Mar-24	31-Mar-23
Authorised Capital				
6,00,00,000 (6,00,00,000) Equity Shares of ₹ 10 each			60,00.00	60,00.00
Total			60,00.00	60,00.00
Issued				
4,61,47,613 (4,61,47,613) Equity Shares of ₹ 10 each			46,14.76	46,14.76

Total			46,14.76	46,14.76
Subscribed & Paid-up Capital				
4,61,47,613 (4,61,47,613) Equity Shares of ₹ 10 each			46,14.76	46,14.76
Less: 30,170 Forfeited shares (Previous Year 30,170) Equity Shares of ₹ 5 each			(1.51)	(1.51)
Total			46,13.25	46,13.25
Number of Equity Shares at the beginning and end of the current and previous reporting periods				
Particulars	31-Mar-24		31-Mar-23	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the reporting period	46,117,443	461,325,280	46,117,443	461,325,280
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-
Changes in Equity Share Capital during the period			-	-
Balance at the end of the reporting period	46,117,443	461,325,280	46,117,443	461,325,280
2. Other Equity				
Details of Shareholders holding more than 5% shares in the Company				
Name of Shareholder	31-Mar-24		31-Mar-21	
	No. of shares	% of Holding	No. of shares	% of Holding
Mercantile Ventures Limited	3,907,800	100.00%	3,907,800	100.00%
Shareholding of Promoter as at 31/03/2022				
Name of the Promoter	No. of Shares		% of total shares	% Change during the year

Mercantile Ventures Limited		3,907,800	100%	-
Particulars	Reserves and surplus			Total
	General Reserve	Other Comprehensive Income	Securities Premium Reserve	
Balance as at 1 April 2022	3,87.25	2,26.50	47.35	6,61.09
Profit for the year	(3,08.90)	-	-	(3,08.90)
Other comprehensive income	-	(12.44)	-	(12.44)
Total comprehensive Income for the year	-	-	-	-
Any other changes	-	-	-	-
Balance as at 31 March 2023	78.34	2,14.06	47.35	3,39.74
Balance as at 1 April 2022	78.34	2,14.06	47.35	3,39.74
Profit for the year	(16,78.75)	-	-	(16,78.75)
Other comprehensive income	-	33.80	-	33.80
Total comprehensive Income for	-	-	-	-

the year				
Any other changes	-	-	-	-
Balance as at 31 March 2024	(16,00.40)	2,47.85	47.35	(13,05.20)

for Venkatesh & Co.,

Chartered Accountants FRN: 004636S

Sd/-

CA Dasaraty V

Partner

M No: 026336

Chennai., 29th May 2024

For and on Behalf of the Board

Sd/-

S Chandramohan

Director

DIN: 00052571

Sd/-

P Balamurugan

Director

DIN: 07480881

Sd/-

G Venkatesan

CFO

Note 12 : Statement of Significant Ratios for the year ended 31st March, 2024

Particulars	Formula	Mar 31, 2022	Mar 31, 2023	Change FY 23-24
(a) Current Ratio (in times)	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.01	1.20	-15.43%
(b) Debt-Equity Ratio (in times)	$\frac{\text{Total Debts}}{\text{Shareholder's Equity}}$	0.84	0.51	65.07%
(c) Debt Service Coverage Ratio (in times)	$\frac{\text{Earning available for Debt Service}}{\text{Interest + Installments}}$	(2.97)	0.28	-1158.17%
(d) Return on Equity Ratio (in %)	$\frac{\text{Net Profit after Taxes}}{\text{Net Worth}}$	-50.75%	-6.24%	714%
(e) Inventory turnover ratio (in times)	$\frac{\text{Revenue from Operations}}{\text{Average Inventories}}$	0.27	0.22	5.64%
(f) Trade Receivables turnover ratio (in times)	$\frac{\text{Total Turnover}}{\text{Average Account Receivable}}$	7.93	7.68	3.34%
(g) Trade payables turnover ratio (in times)	$\frac{\text{Total Purchases}}{\text{Average Account Payable}}$	(3.84)	0.56	-439.63%
(h) Net capital turnover ratio (in times)	$\frac{\text{Total Turnover}}{\text{Net Working Capital}}$	11.64	0.78	1383.51%
(i) Net profit ratio (in %)	$\frac{\text{Net Profit}}{\text{Total Turnover}}$	-139.85%	-27.67%	405.44%
(j) Return on Capital employed (in %)	$\frac{\text{Earning before interest and taxes}}{\text{Capital Employed}}$	-31.06%	-9.46%	228.35%
(k) Return on investment (in %)	$\frac{\text{Income generated from invested funds}}{\text{Average invested funds in investment}}$	-	-	0.00%

Due to loss incurred for the year there is a change in Debt-Equity Ratio, Debt service coverage ratio, Return on Equity Ratio, Net capital turnover ratio, Net profit ratio, Return on Capital employed

Company has paid many of its Trade payables during the year and hence there is a change in Trade payable

Additional Regulatory Information Required under Division II to Schedule II of the Companies Act 2013

S No	Disclosure requirement as per Amended Schedule III	Remarks for Non Disclosure (If any)
1	Title deeds of Immovable Property not held in name of the Company	The Title deeds of the immovable properties are held in the name of the Company.
2	Revaluation of Property, Plant & Equipment	The Company has not revalued any of Property, Plant & Equipment, Hence disclosure under this clause is not applicable
3	Revaluation of Intangible Assets	The Company doesn't have any Intangible Assets, Hence disclosure under this clause is not applicable
4	Loans or Advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties	The Company has not granted Loans or Advances in the nature of loans to promoters, Directors, KMPs and the related parties not specifying any terms of repayment. Hence disclosure under this clause is not applicable.
5	Capital-Work-in Progress (CWIP)	Refer Note No 4.2
6	Intangible assets under development	NIL
7	Details of Benami Property held	The Company has no Benami Property held in its name, Hence disclosure under this clause is not applicable
8	Borrowings from banks or financial institutions on the basis of security of current assets	The Company has no Borrowings from Banks or Financial institutions on the basis of security of current assets, Hence disclosure under this clause is not applicable
9	Wilful Defaulter	The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender during the financial year. Hence disclosure under this clause is not applicable
10	Relationship with Struck off Companies	The Company has no Transactions with Struck off Companies, Hence no disclosure under this clause is applicable.
11	Registration of charges or satisfaction with Registrar of Companies (ROC)	There were no charges which were not registered / satisfied with Register of Companies
12	Compliance with number of layers of companies	The Company has an ultimate holding Company namely Natronix Semiconductor Technology Private Limited. The Company has complied with the number of

		layers of the companies as per section 2 (87) of the Companies Act, 2013.
13	Analytical Ratios	Refer Note No 12
14	Compliance with approved Scheme(s) of Arrangements	No Scheme of arrangements have been approved or pending for approval by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013
15	Utilisation of Borrowed funds and share premium	<p>(a) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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;</p> <p>(b) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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;</p>
16	Undisclosed Income	NIL
17	Corporate Social Responsibility (CSR)	The Company has not required to Contribute under Provisions of u/s 135 (CSR) of the Companies Act 2013, Hence disclosure under this clause is not applicable.
18	Details of Crypto Currency or Virtual Currency	The Company has not Traded or invested in crypto currency or virtual currency, Hence disclosure under this clause is not applicable