SPEL Semiconductor Limited

an IC Assembly & Test Company

THE BOMBAY STOCK EXCHANGE LIMITED ,
PHIROZE JEEJEEBHOY TOWERS,
DALAL STREET,
MUMBAI 400 001.

23TH AUGUST 2021

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DEAR SIRS,

Please note that at the 179th Board Meeting held on 23rd August, 2021, the following are approved:

a. The audited financial results for the fourth quarter and for the financial year ending March 31, 2021.

We request you to take the above on record.

THANKING YOU

YOURS FAITHFULLY
FOR SPEL SEMICONDUCTOR LIMITED

Balakrishnan

D.BALAKRISHNAN
CHIEF EXECUTIVE OFFICER & DIRECTOR

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K. NANDHISWARAN
B.Sc.,FCA.,FCS.,ACIS(UK).,DISA.,CISA.,CISSP.,CFE.,
Chartered Accountant

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INDEPENDENT AUDITOR'S REPORT ON AUDITED FINANCIAL RESULTS OF SPEL SEMICONDUTOR LIMITED

(Pursuant to the regulation 33 of SEBI (Listing obligations and Disclosure Requirements) Regulations 2015, as amended ("Listing Regulations"))

TO THE BOARD OF DIRECTORS OF
SPEL SEMICONDUTOR LIMITED

Opinion:

1. I have audited the accompanying Statement of the Financial Results of **SPEL SEMICONDUTOR LIMITED** ("the Company") for the year ended March 31, 2021 and the statement of assets and liabilities and statement of cash flows as at and for the year ended on that date together with the notes thereon (together referred to as 'Financial Results'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

2. In my opinion and to the best of my information and according to the explanations given to us, the Financial Results:

   - are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

   - gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of Companies Act, 2013 (The 'Act') and other accounting principles generally accepted in India of the loss, total comprehensive income and other financial information of the Company for the year ended March 31, 2020 and the statement of assets and liabilities and statement of cash flows as at and for the year ended on that date.

Basis for Opinion

3. I conducted my audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Results' section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Act and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern

4. I draw attention to Note 6 in the Statement of Financial Results of the Company .The Company has incurred losses and generated negative cash flows during the year and also in the earlier years which indicate existence of material uncertainty in the Company's ability to continue as a going concern for a reasonable period of time. In order to continue, the Company is apparently dependent on the infusion of sufficient funds and restructuring of operations.. . Based on the funds infused and business plans of the management, the Company is reasonably assured to carry on the

K. NANDHISWARAN, FCA, DISA.,
M.No. 202644
Chartered Accountant

operations as a going concern. On this basis the company has prepared the financial statements on going concern basis. My opinion is not qualified in respect of this matter.

Emphasis of Matter

5.I draw attention to Note 4 of the financial results relating to amounts written off / written back for the year ended March 31, 2021 which were approved by a resolution passed by the Board of Directors.

6. I draw your attention to Note 5 of the financial results which explains the uncertainties and the management's assessment of the potential impact due to lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation and consequently the Company's results are highly dependent upon future developments, which are highly uncertain.

My opinion is not modified in respect of these matters.

Board of Directors Responsibility for the Financial Results

6. These financial results of the company and the statement of assets and liabilities and the statement of cash flows have been prepared on the basis of the Ind AS financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accord ance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of presentation of the financial results by the directors of the company, as aforesaid.

7. In preparing the financial results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

8. My objectives are to obtain reasonable assurance about whether the financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.

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

K. NANDHISWARAN, FCA, DISA,
M.No.207644

- Identify and assess the risks of material misstatement of the standalone financial results, 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 my 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, under section 143(3)(i) of the act, I am also responsible for expressing my opinion on whether the company has adequate internal financial statements and the operating effectiveness of such controls (Refer para- 10 below).

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. My 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 financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation

10. I communicate with those charged with governance of the company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit. I also provide those charged with governance with a statement that I am complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

11. The Financial Results include the results for the quarters ended March 31, 2021 and 2020 being the balancing figure between the audited figures in respect of the full financial year(s) and the published year to date unaudited figures up to the third quarter of the respective financial years. The unaudited figures up to the end of the quarter were subject to limited review and not subjected to audit.

12. The Statement dealt with by this report has been prepared for the express purpose of filing with the BSE Limited. This Statement is based on and should be read with the audited financial statements of the Company for the year ended March 31, 2021 on which I have issued an unmodified opinion vide my report dated August 13 , 2021.

K.Nandhiswaran

K.Nandhiswaran
Chartered Accountant
Membership No.207644
UDIN : 21207644AAAALK7723
August 23, 2021
Chennai

K. NANDHISWARAN,
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CHARTERED ACCOUNTANT
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STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2021

Part I

(Rs. in Lakhs)

Sno	Particulars	Quarter Ended			Year Ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		Refer Note 3	Unaudited	Refer Note 3	Audited	Audited
	Income					
1	Revenue from Operations	231.66	450.49	951.48	1,592.11	3,653.74
2	Other Income	421.70	29.69	96.54	545.23	179.65
3	Total Income (1+2)	653.36	480.18	1,048.02	2,137.34	3,833.39
4	Expenses					
	a.Cost of Materials Consumed	70.65	139.21	337.78	482.86	944.52
	b.Changes in inventories of finished goods and work in progress	25.54	(8.23)	19.36	12.53	(56.59)
	c.Excise Duty on sale of goods		-	-	-	-
	d.Employee Benefits Expense	184.54	214.24	247.37	708.46	1,069.84
	e.Finance Cost	26.87	25.59	(10.35)	116.45	142.61
	f.Depreciation and Amortisation Expense	107.73	107.65	119.81	430.44	498.24
	g. Power & Fuel	44.95	45.56	75.64	218.73	319.03
	h.Other expenses	472.75	63.97	237.74	732.12	778.37
	Total expenses	933.03	587.99	1,027.35	2,701.59	3,696.02
5	Profit/ (Loss) from ordinary activities before Exceptional items (3-4)	(279.67)	(107.81)	20.67	(564.25)	137.37
6	Exceptional Items (Refer Note 4)	280.08	-	-	280.08	(2.72)
7	Profit/ (Loss) from ordinary activities before tax (5-6)	(559.75)	(107.81)	20.67	(844.33)	134.65
8	Tax Expense					
	a) Current tax	-	-	-	-	-
	b) Deferred tax	54.05	(17.43)	1.51	19.17	29.29
	Total Tax expense (a+b)	54.05	(17.43)	1.51	19.17	29.29
9	Profit/ (Loss) for the year (7-8)	(613.80)	(90.38)	19.16	(863.50)	105.36
10	Other comprehensive income					
	A (i) Items that will not be reclassified to profit or loss	132.27	10.50	39.86	163.76	41.99
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-		-
	B (i) Items that will be reclassified to profit or loss		-	-		-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-	-
	Other Comprehensive Income (10A + 10B)	132.27	10.50	39.86	163.76	41.99
11	Total comprehensive income for the period (9+10)	(481.53)	(79.88)	59.02	(699.74)	147.35
12	Paid-up Equity Share Capital	4,613.25	4,613.25	4,613.25	4,613.25	4,613.25
	(Face value of Rs 10/- Per Share)					
13	Other Equity as per balance sheet	-	-	-	2,590.85	3,289.93
14	Earnings Per Share (EPS) of Rs 10/- each (Not annualised)					
	a) Basic	(1.33)	(0.20)	0.04	(1.87)	0.23
	b) Diluted	(1.33)	(0.20)	0.04	(1.87)	0.23

Notes

1.The above results were reviewed by the Audit Committee and then approved by the Board of Directors at their Meetings held on Aug 23, 2021. The information for the year ended March 31, 2021 and March 31, 2020 presented above is extracted from the audited financial statements for the year ended Mar-31,2021. These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013.

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

3.The figures for the quarter ended March 31, 2021 and March 31, 2020 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the nine months ended December 31, 2020 and December 31, 2019 respectively, which were subject to limited review by the statutory auditor.

4 Exceptional Items consists of :

(Rs in lacs)

	Particulars	Quarter Ended			Year Ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
a.	Credit balances written back	(1,647.55)			(1,647.55)	-
b.	Provision for Old inventory written back	-	-	-	-	(657.59)
c.	Unbilled revenue written off	1,927.63	-	-	1,927.63	660.31
	Total	280.08	-	-	280.08	2.72

The above items relating to write off / write back for quarter and year ended March,31,2021 were appoved by a resolution passed by the Board of Directors.

5. The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In such a situtation, the Company has taken due care in concluding on accounting judgements and estimates and while assessing the recoverability of Company's assets, the Company has considered internal and external information approval of these financial results and expects to recover the carrying amount of the assets. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation is evolving in india gloablly.The Company continues to monitor the economic effects of the pandemic on the operations and take approprate actions as and when required.

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

7.The Statement of Assets and Liabilities as at March 31, 2021 and the Statemet of Cash Flows for the year ended March 31, 2021 are provided as Annexure-1 and Annexure-2 respectively to the Statement.

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

Date : August 23, 2021
Place : Chennai

K. NANDHISWARAN, FCA, DISA, M.No.207644 Chartered Accountant

For and on behalf of the Board of Directors

D. Balakrishnan
Director & CEO

Annexure-1

SPEL Semiconductor Limited

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STATEMENT OF ASSETS AND LIABILITIES (Refer Note 7)

		(All amounts in ` Lakhs)
Particulars	As at March 31, 2021	As at March 31, 2020
ASSETS		
Non-current assets		
Property, plant and equipment	11,291.32	11,711.14
Capital work-in-progress	-	-
Intangible assets	0.16	0.62
Financial Assets		
Others	63.55	65.63
Tax assets (net)	31.64	23.48
	11,386.67	11,800.87
Current assets		
Inventories	1,059.35	1,059.99
Financial Assets		
(I) Trade Receivables	4,040.39	3,197.92
(ii) Cash and cash equivalents	1.15	2.35
(iii) Bank balances other than (ii) above	-	2.69
(iv) Others	41.12	55.87
Contract assets	-	1,927.63
Other current assets	114.62	126.24
	5,256.63	6,372.69
TOTAL ASSETS	16,643.30	18,173.56
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	4,613.25	4,613.25
Other Equity	2,590.85	3,289.93
	7,204.10	7,903.18
Liabilities		
Non-current liabilities		
Financial liabilities		
(I) Borrowings	1,817.57	1,647.57
(ii) Other financial liabilities	116.78	109.93
Provisions	298.80	421.29
Deferred tax liabilities (net)	2,144.85	2,126.34
Other non current liabilities	106.74	113.59
	4,484.74	4,418.72
Current liabilities		
Financial liabilities		
(I) Borrowings	1,175.04	1,112.90
(ii) Trade payables	920.94	1,759.46
(iii) Other financial liabilities	1,489.13	1,175.90
Other current liabilities	1,322.95	1,737.13
Provisions	46.40	66.27
	4,954.46	5,851.66
TOTAL EQUITY AND LIABILITIES	16,643.30	18,173.56

For and on behalf of the Board of Directors

Date:August 23, 2021
Place : Chennai

K. NANDHISWARAN, FCA., DISA., M.No.207644, Chartered Accountant

D.Balakrishnan
Director & CEO

Annexure-2

SPEL Semiconductor Limited
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CIN:L3220LTN1984PLC011434 eMail ID: info@spel.com Website: www.spel.com
STATEMENT OF CASH FLOWS (Refer Note 7)

(All amounts in ` Lakhs)

PARTICULAR	March 31, 2021	March 31, 2020
Cash flow from operating activities		
Profit / (Loss) for the year	(863.50)	105.36
Adjustments for :		
Income tax expense	19.17	29.29
Depreciation, amortisation and impairment expense	430.44	498.24
Bad and doubtful debts / advances provided / unbilled revenue written-off (net)	2,319.04	660.32
Foreign exchange (gains) / losses	(36.63)	(19.79)
Provision for old inventory Written back	-	(657.60)
Credit balances written back	(2,038.97)	-
Finance cost	116.45	142.61
Interest Income	(6.47)	(2.45)
Rent income	(121.82)	(116.32)
Operating profit before working capital changes	**(182.29)**	**639.65**
Adjustmens for changes in :		
Trade receivables	(1,197.26)	(2,429.74)
Inventories	0.65	43.48
Other current and non current financial assets	16.84	(5.77)
Other current and non current assets	361.61	26.88
Trade payables	(839.02)	172.13
Other non current and current financial liabilities	320.09	145.66
Other non current and current liabilities	1,431.96	735.91
Non current and other current Provisions	(142.35)	(9.37)
Cash generated from operations	**(229.78)**	**(681.16)**
Income tax paid (net)	(8.18)	8.52
Net cash (used in) from operating activities [A]	**(237.96)**	**(672.64)**
Cash flow from investing activities		
Purchase of property, plant and equipment and Intangible assets	(9.90)	-
Proceeds on sale of property, plant and equipment and Intangible assets	-	-
Movment in other bank balances	2.69	27.38
Interest Received	6.47	2.45
Rent Received	121.82	116.32
Net cash from investing activities [B]	**121.08**	**146.16**
Cash flow from financing activities		
Proceeds from non-current borrowings	170.00	283.65
Repayments of non-current borrowings	-	-
Proceeds from current borrowings (net)	62.13	244.22
Interest paid	(116.45)	-
Net cash (used in) financing activities [C]	**115.68**	**527.87**
Net (decrease) / Increase in cash & Cash equivalents [A+B+C]	(1.20)	1.39
Opening cash and cash equivalents	2.35	0.89
Exchange difference relating to foreign currency cash on hand	-	0.07
Closing cash and cash equivalents	1.15	2.35

Date: August 23, 2021
Place: Chennai

K. NANDHISWARAN, FCA, DISA, Chartered Accountant
M.No.207644

For and on behalf of the Board of Directors

D. Balakrishnan
Director & CEO