



14th वीं

वार्षिक रिपोर्ट ANNUAL REPORT 2018-19

आस्था के साधनों के निर्माता
Manufacturer of Instruments of Faith



भारत प्रतिभूति मुद्रण तथा मुद्रा निर्माण निगम लिमिटेड
SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED



एसपीएमसीआईएल
के बारे में

ABOUT
SPMCIL

विकास का उत्प्रेरक
**Catalyst
of Growth**

‘ भारत प्रतिभूति मुद्रण तथा मुद्रा निर्माण निगम लिमिटेड (एसपीएमसीआईएल) अनुसूची ‘ए’ मिनी रत्न श्रेणी-1, केन्द्रीय सार्वजनिक क्षेत्र उद्यम (भारत सरकार के पूर्ण स्वामित्वाधीन) को 13 जनवरी 2006 को निगमित किया गया जिसका पंजीकृत कार्यालय 16वां तल, जवाहर व्यापार भवन, जनपथ, नई दिल्ली-110001 में है।

निगम करेंसी तथा बैंक नोटों, प्रतिभूति कागजों, गैर न्यायिक स्टाम्प पेपरों, डाक टिकटों तथा स्टेशनरी, यात्रा दस्तावेजों यथा पासपोर्ट एवं वीजा, प्रतिभूति प्रमाण पत्रों, चेक, बॉन्ड, वारंट, प्रतिभूति विशेषताओं के साथ विशेष प्रमाण पत्र, प्रतिभूति स्याही, परिचालन एवं स्मारक सिक्के, मेडालियनों, सोने, चाँदी के परिष्करण तथा बहुमूल्य धातुओं की परख आदि के विनिर्माण/उत्पादन में कार्यरत है।

Security Printing and Minting Corporation of India Ltd. (SPMCIL), Schedule ‘A’ Mini-Ratna Category-1, Central Public Sector Enterprise (Wholly owned by Govt. of India) was incorporated on 13th January 2006 having its registered office at 16th Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi-110001.

The Corporation is engaged in the manufacturing/production of Currency and Bank Notes, Security Papers, Non-judicial Stamp Papers, Postal Stamps & Stationery, Travel Documents viz., Passport and Visa, Security Certificates, Cheques, Bonds, Warrants, Special Certificates with Security Features, Security Inks, Circulating & Commemorative Coins, Medallions, Refining of Gold, Silver and Assaying of Precious Metals, etc.

‘ एसपीएमसीआईएल अपनी पहचान के अनुसार ग्राहक संतुष्टि सुनिश्चित करते हुए अत्यधिक सुरक्षित तथा अत्याधुनिक सुविधाओं के अंतर्गत अभिनव तथा अनुकूलित गुणवत्ता के उत्पादों का उत्पादन करता है। एसपीएमसीआईएल की इकाइयों ने प्रतिभूति मुद्रण के अभिजात वर्ग के बाजार में लगभग 100 वर्षों से अपनी साख बना रखी है। सिक्कों के निर्माण में एसपीएमसीआईएल की इकाइयाँ पिछले दो शताब्दियों से प्रचालन कर रही हैं।

Innovative and customized quality products are produced under highly secured, state of the art facilities, ensuring customer satisfaction, which is the hallmark of SPMCIL. SPMCIL units have built credibility in the elite market of security printing for almost 100 years. In the field of minting, SPMCIL units have been operating for the last two centuries.





उद्भव

एसपीएमसीआईएल तकनीकी रूप से एक नई संस्था है जिसका प्रतिभूति मुद्रण तथा सिक्कों की ढलाई में शताब्दियों पुराना अनुभव है। सभी नौ उत्पादन इकाइयों का प्रबंधन, नियंत्रण, रख-रखाव तथा प्रचालन करेंसी एवं क्वाइन डिवीजन, आर्थिक कार्य विभाग, वित्त मंत्रालय, भारत सरकार के अधीन था जिसे एसपीएमसीआईएल को 10 फरवरी, 2006 को स्थानांतरित किया गया। वित्त मंत्रालय बोर्ड निदेशकों के माध्यम से एसपीएमसीआईएल पर प्रशासनिक नियंत्रण रखता है। नौ उत्पादन इकाइयों में चार भारत सरकार टकसालें, दो चलार्थ पत्र मुद्रणालय, दो प्रतिभूति मुद्रणालय तथा एक प्रतिभूति कागज कारखाना है।

EMERGENCE

SPMCIL, technically a new entity, has centuries old experience in Security Printing and Minting. The management, control, maintenance and operation of the erstwhile nine production units under Currency and Coinage Division, Department of Economics Affairs, Ministry of Finance, Government of India, was transferred to SPMCIL w.e.f 10th February 2006. The Ministry of Finance exercises its administrative control over SPMCIL through Board of Directors. The nine production units comprises of four India Government Mints, two Currency Note Presses, two Security Printing Presses and one Security Paper Mill.



SPM

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VISION

To be a leader in manufacturing of currency, coins and security products through process excellence and innovation.

MISSION

Achieve market leadership by:

- *Developing state-of-the-art currency, coins and diversified security products in a transparent, cost-effective and efficient manner by leveraging core competency and building design capabilities;*
- *Constantly focusing on benchmarking, process automation, applied R&D, indigenisation and the triple bottom line of people, planet and profit; and*
- *Ensuring employees, customers and stakeholders delight.*

LEADERSHIP AT SPMCIL

Board of Directors

FUNCTIONAL DIRECTORS



Ms. TRIPTI P. GHOSH
Chairman and Managing Director



SHRI AJAI KUMAR SRIVASTAV
Director (Technical)



SHRI S.K. SINHA
Director (HR)



SHRI AJAY AGARWAL
Director (Finance)

GOVERNMENT NOMINEE DIRECTORS



Ms. MEERA SWARUP
AS & FA, Ministry of Finance



SHRI PRASHANT GOYAL
JS (C&C), DEA, Ministry of Finance



SHRI S.C.L. DAS
JS (IS-I), Ministry of Home Affairs

END-USER REPRESENTATIVES



SHRI AJAY MICHYARI
CGM, DCM, Reserve Bank of India



SHRI ARUN K. CHATTERJEE
JS (PSP) & CPO, Ministry of External Affairs



Dr. AMARPREET DUGGAL
DDG (Philately)
Department of Posts

INDEPENDENT DIRECTOR



SHRI P.J. MATHEW
Ex-IA & AS Officer

LEADERSHIP AT SPMCIL

Management Team



Ms. TRIPTI P. GHOSH
Chairman and Managing Director



SHRI AJAI KUMAR SRIVASTAV
Director (Technical)



SHRI S.K. SINHA
Director (HR)



SHRI AJAY AGARWAL
Director (Finance)



Ms. MAMTA SINGH
Chief Vigilance Officer



SHRI RAMAKANT DIXIT
General Manager, DRC, Hyderabad



SHRI SUDHIR KUMAR SAHU
General Manager, ISP, Nashik



SHRI M.C. BYLAPPA
General Manager, Corporate R&D
Centre, CNP, Nashik



SHRI S.P. VARMA
General Manager, CNP, Nashik



SHRI RAJESH BANSAL
General Manager, BNP, Dewas



SHRI BOLEWAR BABU
General Manager, SPP, Hyderabad



SHRI RAKESH KUMAR
General Manager, SPM, Hoshangabad



SHRI S.B. BEHRA
General Manager, IGM, Kolkata



SHRI R.C. MOTWANI
General Manager, IGM, Noida



SHRI SRIKANTA PARDHAN
General Manager, IGM, Mumbai



SHRI DURGESH PATI TIWARI
DGM & HOD, IGM, Hyderabad

AUDITORS

STATUTORY AUDITOR

M/s. Ashwani & Associates
Chartered Accountants
New Delhi

SECRETARIAL AUDITOR

M/s. Amit Agrawal & Associates
Company Secretaries
Delhi

COST AUDITOR

M/s. R.M. Bansal & Company
Cost Accountants
Delhi

From The Chairman's Desk

Dear Shareholders,

It gives me immense pleasure to welcome you all to the 14th Annual General Meeting of the Company. Despite the challenges of the business and its surrounding environment, your Company has registered yet another year of strong performance and has achieved the targets in the production of Bank Notes, Security Paper, Passports, Security Inks and other Security Products during the year 2018-19. While achieving the production targets, the Company has also increased productivity per employee considerably.

Your Company has produced 10482 million pieces of the Bank Notes and supplied 10306 million pieces of Bank Notes to Reserve Bank of India (RBI) during the year 2018-19. This is 13.69% higher than the production of 9219 million pieces of the Bank Notes during the last year i.e. 2017-18. Production of the Bank Notes per employee has increased to 3.29 million pieces in 2018-19 as against 2.72 million pieces achieved during the year 2017-18. Your Company has produced 5331 million pieces of the Circulating Coins and supplied 6133 million pieces of the Circulating Coins to RBI during the year 2018-19. This is 20.47% lower than the production of 6703 million pieces of Circulating Coins achieved during the year 2017-18. Production of Coins per Employee has also decreased to 2.24 million pieces in 2018-19 as against 2.55 million pieces achieved in 2017-18. The decrease in the production/productivity of Circulating Coins in the year 2018-19 is due to huge reduction in the indent of Circulating Coins by RBI during the year 2018-19.

Your Company has produced 6003 Metric Ton



(MT) Security Paper and supplied 6837 MT of Security Paper to the printing presses during the year 2018-19. This is 3.87% higher than the production of 5779 MT of Security Paper during the year 2017-18. Production of Security Paper per Employee has increased to 5.68 MT in 2018-19 as against 5.16 MT achieved during the previous year. Your Company has produced 752 Metric Ton (MT) of Security Inks in 2018-19 at Ink Factory, Dewas. This production includes the complete requirement of all four SPMCIL presses and the excess ink was supplied to the Currency Presses of Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL) at Mysuru and Salboni.

FINANCIAL PERFORMANCE

Despite reduction in the revenue from Circulating Coins in the year 2018-19, the total Revenue



from Operations of your Company has increased to ₹5711.34 crores in 2018-19 from ₹4402.30 crores (regrouped) in the previous year 2017-18 due to increase in revenues from Banknotes and from other security products manufactured by ISP, Nashik and SPP, Hyderabad. Total expenditure for the year 2018-19 is ₹5010.04 crores as compared to ₹4028.43 crores (regrouped) for the year 2017-18. Profit before Tax (PBT) from continuing operations for the year 2018-19 is ₹815.18 crores as compared to ₹570.61 crores (regrouped) for the year 2017-18 registering a growth of 42.86% over previous year. The Company has achieved a Total Comprehensive Income (TCI) of ₹531.61 crores in the year 2018-19 as compared to ₹652.03 crores in the year 2017-18. The consolidated TCI after taking into account the 50% share of Joint Venture Company, Bank Note Paper Mill India Pvt. Ltd (BNPMIPL) is ₹620.48 crores in the year 2018-19 as compared to the Consolidated TCI of ₹767.90 crores (regrouped) in the year 2017-18.

DIVIDEND

Pursuant to guidelines on Capital Restructuring issued by DIPAM, the Board of Directors of your Company has recommended a Final Dividend @ 5% of the Net-worth of the Company for the year 2018-19 aggregating to ₹218.48 crores plus applicable Dividend Distribution Tax.

MoU PERFORMANCE

Your Company has been granted the 'Good' rating by the Department of Public Enterprises (DPE) for its MoU for the year 2017-18. For the year 2018-19, the self-evaluation report of MoU duly approved by Board and Administrative Ministry shall be sent to DPE. The Company is poised

to achieve the 'Excellent' rating for MoU 2018-19.

MODERNISATION

During the year 2018-19, your Company has taken-up many modernization and capacity augmentation initiatives. CNP, Nashik has installed / commissioned Nickel Bath machine to increase capacity and quality of plate making. It has also installed Chrome Bath machine which has increased the capacity and quality of chromium coating of intaglio plates. It has also installed and commissioned an Intaglio Plate Making System by Laser Engraving Technology.

BNP, Dewas has installed one Cylindrical Grinding Machine and after its installation and commissioning, BNP is able to achieve grinding accuracy of ± 5 micron. This has helped BNP to produce intaglio plates with high precision and accuracy resulting in improvement in quality of banknotes. The two numbers of Heavy Duty High Torque Butterfly Mixer have been installed and commissioned in new Ink Factory at Dewas. Ink Factory has undertaken project to reduce the consumption of CSI ink on Intaglio machines.

IGM, Mumbai has installed the state-of-the-art Flameless Tunnel Furnace for producing Bullion Bars as per LBMA Goods Delivery System of 400 Oz with fineness 995 to 9999 with almost zero loss. Mumbai Mint has installed and commissioned schematic layout of feeding system for automatic simultaneous feeding of different denomination of blanks to Coining Presses. This Mint has finalized the tender for introducing Productivity Measurement Analysis & Statistical System (PMASS) for coining presses. This system will be integrated with SAP and Production Analysis



will be available in Excel / Graphical formats and transferred or uploaded into our SAP (ERP) system also so that the online data may be reviewed anytime/anywhere. IGM, Mumbai has also finalized the order for design, manufacture, supply, installation and commissioning of Surface Polishing Machine for raw minting dies (ready for embossing).

IGM, Hyderabad has installed Optical Emission Spectrometer for chemical element analysis of metals, alloys etc. Full height turnstile gates linked with biometric access and attendance management system have also been installed at entry/exit points at IGM, Hyderabad. Hyderabad Mint has also done the overhauling/reconditioning of Proditec Machine.

IGM, Noida has installed CNC Grinding Machine which has improved the product quality and production rate. Noida Mint has also done up-gradation of DC to AC drive in 3 Coining Presses which has reduced the maintenance cost substantially. It has also upgraded two Bosch Counting & Packaging Machines to improve the packaging of coins as per requirement of RBI.

SPP, Hyderabad has done retrofitting of Online VDP on APFM / Rotatek / Grapha.

ISP, Nashik has installed indigenous OMRON make PLC system as part of Make in India initiative. Further, a new Page scanner System has been installed and commissioned on Collation & Stitching machine in APMS Section to check the required orientation of passport booklet pages on all the eight feeders.

RESEARCH & DEVELOPMENT (R&D)

The state-of-the-art Corporate R&D Centre has been setup at CNP, Nashik to carry out

research and development activities on currency, passport and security documents etc. at par with international standards. Infrastructure such as counterfeit deterrence technology laboratory, material characterization laboratory (optics, spectroscopy & microscopy), chemical analysis laboratory, pilot plant has been developed for in-house R&D activities. Facilities such as library, lecture hall, visitor hall have also been provided for the R&D Centre. Further, the R&D Centre is developing capabilities of advanced forensic analysis of Fake Indian Currency Notes.

A new R&D setup has been created at ISP, Nashik and various equipment viz. Digital Tear Resistance Tester, Cobb Tester, Digital Tensile Strength Tester, Digital Roughness/ Porosity Tester, Digital Folding Endurance Tester, Brightness/ Opacity & Colour Tester, Crumpling Instrument and Digital Bursting Strength Tester have been installed and commissioned. The testing of paper and corrugated boxes has been started as per requirement.

A full-fledged R&D Centre for Paper, Pulp etc. has been established at SPM, Hoshangabad. Latest testing equipment and machinery have been procured and installed successfully in the said R&D Centre.

IGM, Mumbai has designed and started supplying to the State Governments Volumetric Test Measure of 10 litres for fuel dispensing unit in coordination with FCRI. IGM Mumbai has got orders for 2000 nos. of FSTM from Ministry of Consumer Affairs for supplying to all the States. IGM, Mumbai has integrated facility of gold refining, processing and testing (assaying).

HUMAN RESOURCE

The Manpower Strength of your Company has



come down to 8918 as on 31st March 2019 which includes 339 Executives, 1048 Supervisors and 7531 Workers working in 9 Units and Corporate Office in comparison to previous year's employee strength of 9638. Training and retraining of employees to upgrade their functional skills and expertise along with development of their soft skills and group dynamics are thrust areas for the Company.

VIGILANCE SETUP

The objective of Vigilance is to facilitate an environment enabling people to work with integrity, efficiency and in a transparent manner, upholding highest ethical standards for the organization. To achieve this objective, the Vigilance Department of SPMCIL carries out preventive, proactive and punitive actions with greater emphasis on the preventive and proactive functions. Due to systematic institutional improvements, there has been reduction in complaints and increased observance of rules & procedures resulting into transparency, economy and efficiency in SPMCIL's operations.

CORPORATE GOVERNANCE

A Report on Corporate Governance and certificate from practicing Company Secretary thereon forms part of the Annual Report. The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been posted on the website of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code.

RISK MANAGEMENT

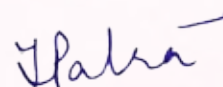
As a diversified enterprise, your Company continues to focus on a system based

approach to business risk management. Pursuant to Guidelines on Corporate Governance for CPSEs issued by DPE, the Risk Management Policy of your Company has been formulated which covers all the functions at Corporate Office and manufacturing divisions. Your Company has developed and rolled out a Comprehensive Enterprise –wide Risk Management (ERM) throughout the organization. The policy will ensure sustainable business growth with stability and will promote proactive approach in identifying, evaluating, reporting and managing risks associated with the business.

ACKNOWLEDGEMENTS

I would like to acknowledge with deep sense of appreciation for the cooperation received from the Government of India, particularly from the Ministry of Finance, Reserve Bank of India, Ministry of External Affairs, Ministry of Home Affairs, Department of Posts, Department of Public Enterprises, Ministry of Labour & Employment, various State Governments, etc. I am also thankful to my colleague Directors for their valuable inputs, continued support and guidance. I would also like to acknowledge with thanks the constructive suggestions received from Comptroller & Auditor General of India, Statutory Auditor, Secretarial Auditor and Cost Auditor. Lastly, I would also like to place on record my sincere appreciation for the devotion and commitment of all Executives and Employees of the Company.

Jai Hind!



Tripti P. Ghosh

Chairman and Managing Director
DIN : 08123112

Place: New Delhi

Date: 06th September 2019



Financial Performance of A Decade At A Glance

(Amount in ₹ Crore)

I. FINANCIAL	2018-19 (IndAS)	2017-18 (IndAS)	2016-17 (IndAS)	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Turnover	5617.58	4347.29	5842.15	4648.57	4408.38	3797.62	3625.17	3422.67	3164.49	3037.98
Revenue from Operations	5711.34	4402.30	5966.02	4774.24	3803.34	3897.53	3712.94	3494.80	3164.49	3037.98
Add : Other Income	113.88	196.74	137.92	101.36	108.14	139.64	143.10	167.65	252.10	168.07
Less : Expenditure	5010.04	4028.43	5189.50	4830.81	4187.79	3700.65	3282.26	2788.08	2574.03	2408.89
Profit Before Exceptional Items & Tax	815.18	570.61	914.44	44.79	(276.31)	336.52	573.78	874.37	842.56	797.16
Profit Before Tax	815.18	570.61	914.44	54.70	(281.77)	346.72	578.72	874.87	816.94	816.69
Profit After Tax	527.87	619.71	652.41	203.08	(352.07)	214.63	423.49	582.47	577.19	542.25
Dividend Distribution	218.48	204.87	227.64	60.92	-	42.93	84.70	116.49	115.44	-
Assets										
Net Fixed Assets	1326.24	1286.64	1316.82	1312.44	970.95	1042.91	1046.63	902.42	895.20	884.68
Capital Work in Progress (CWIP)	11.79	75.49	63.65	84.34	417.49	448.95	105.79	166.02	230.80	96.48
Investments	400.00	490.09	501.08	500.92	399.45	371.60	400.06	200.10	101.83	99.19
Deferred Tax Asset	944.36	873.14	686.86	371.57	223.19	293.49	259.30	73.39	93.47	69.88
Loans and Advances & other non-current Assets	81.46	78.47	61.58	149.59	155.12	242.86	448.36	437.31	-	-
Current Assets	5208.81	4492.12	4731.40	5165.84	4806.72	4932.31	4548.29	5220.86	5234.07	4886.43
Total	7972.66	7295.95	7361.39	7584.70	6972.92	7332.12	6808.43	7000.10	6555.37	6036.66
Liabilities										
Equity										
Share Capital	1064.24	1064.24	1182.49	1182.49	0.05	0.05	0.05	0.05	0.05	0.05
Other Equity	3305.32	3021.44	3142.70	2936.21	2472.46	2859.79	2695.38	2370.34	1923.27	1480.69
Total	4369.56	4085.68	4325.19	4118.70	2472.51	2859.84	2695.44	2370.39	1923.32	1480.74
Funds from Govt. of India (Adjustable)	-	-	-	179.77	2878.65	2878.65	2879.49	2879.67	2879.77	2877.70
Current Liabilities	1801.86	1485.53	2444.67	1775.42	1303.05	1316.58	930.61	1462.68	1577.28	1328.22
Borrowings	-	-	-	1182.44	-	-	-	-	175.00	350.00
Other Long term liabilities & provisions	1801.24	1724.74	591.52	328.37	318.71	277.05	302.89	287.36	-	-
Total	7972.66	7295.95	7361.39	7584.70	6972.92	7332.12	6808.43	7000.10	6555.37	6036.66
Net Worth (as per Companies Act)	4369.56	4085.68	4325.19	4118.70	2472.51	2859.84	2695.44	2370.39	1923.32	1480.74
Ratios										
Earnings Per Share*	5.00	5.65	5.21	62.76	(70415)	42926	84698	116494	115438	108450
Book Value Per Share*	41.06	35.39	38.50	34.83	494502	571968	539088	474078	384664	296148
Debt Equity Ratio										
Total Debt To Equity	0.82	0.79	0.70	0.80	0.66	0.56	0.46	0.74	0.91	1.13
Long Term Debt to Equity	0.41	0.42	0.13	0.37	0.13	0.10	0.11	0.12	0.09	0.24
Return on Net Worth (%)	12.08%	15.16%	15.08%	4.93%	(14.24%)	7.50%	15.71%	24.57%	30%	36.62%
PBT/Turnover (%)	14.51%	13.12%	15.65%	1.18%	(6.39%)	9.13%	15.96%	25.56%	25.82%	26.88%
PAT/Turnover (%)	9.39%	14.25%	11.17%	4.37%	(7.99%)	5.65%	11.68%	17.02%	18.24%	17.85%



Turnover	:	Sale of Products + Sale of Services
Investments	:	Non-current Investments + Current Investments
Borrowings (Total Debt)	:	Short Term Borrowing + Long Term Borrowing + Current Maturities of Long Term Debt + Interest Accrued and due on Loans.
Earning Per Share	:	Total Comprehensive Income / Number of Equity Shares
Book Value Per Equity Share	:	Equity / Number of Equity Shares
Total Debt to Equity	:	Long Term Liabilities + Current Liabilities / Equity
Long Term Debt to Equity	:	Long Term Liabilities / Equity
Return on Net Worth (%)	:	Profit after Tax / Net Worth (as per Companies Act)
PBT / Turnover (%)	:	Profit before Exceptional Items & Tax / Turnover
PAT / Turnover (%)	:	Profit after Exceptional Items & Tax / Turnover

II. Operational Performance		2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Bank Notes	Production (mpcs)	10482	9219	8785	7150	8358	8018	7421	6539	5472	7083
	Supply (mpcs)	10306	8594	9265	6785	8141	7941	7391	6602	5639	6784
	Productivity per Employee (mpcs)	3.29	2.72	2.48	1.93	2.12	1.98	1.80	1.61	1.31	1.45
Circulating Coins	Production (mpcs)	5331	6703	9681	9254	7929	7650	6708	6282	6070	5833
	Supply (mpcs)	6133	5571	9691	9257	7907	7676	6878	6094	6140	6285
	Productivity per Employee (mpcs)	2.24	2.55	3.37	3.07	2.49	2.26	1.87	1.69	1.57	1.41
Security Paper	Production (MT)	6003	5779	3200	3816	3266	3240	2925	2925	2858	1946
	Supply (MT)	6837	4657	3540	2949	3110	3106	3021	3108	2715	1986
	Productivity per Employee (MT)	5.68	5.16	2.74	3.07	2.44	2.51	2.52	2.74	2.52	1.70
Security Inks	Production (MT)	752	579	825	809	525	604	484	273	298	242
	Productivity per Employee (MT)	11.23	8.04	11.00	10.93	5.83	8.75	6.45	4.96	5.42	4.84

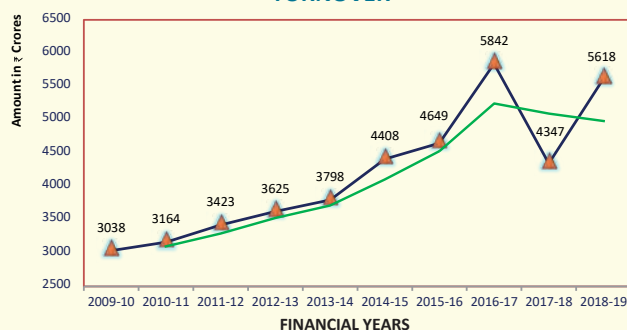
III. Manpower	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Currency Presses	3190	3386	3546	3714	3941	4054	4116	4050	4177	4901
Mints	2381	2633	2876	3013	3188	3390	3591	3707	3855	4144
Security Printing Presses	2223	2428	2695	3012	3252	3453	3673	3927	4255	4713
Security Paper Mill	1056	1121	1170	1244	1337	1290	1161	1068	1132	1143
Corporate Office	68	70	67	69	66	70	65	66	64	52
Total	8918	9638	10354	11052	11784	12257	12606	12818	13483	14953

Graphical Representation of Performance of SPMCIL

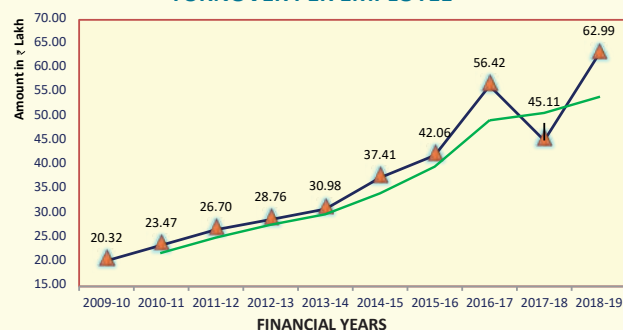




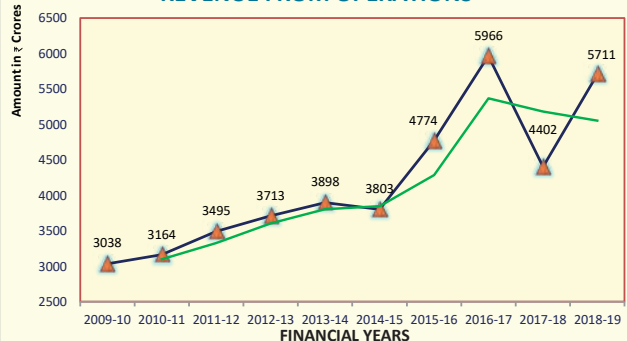
TURNOVER



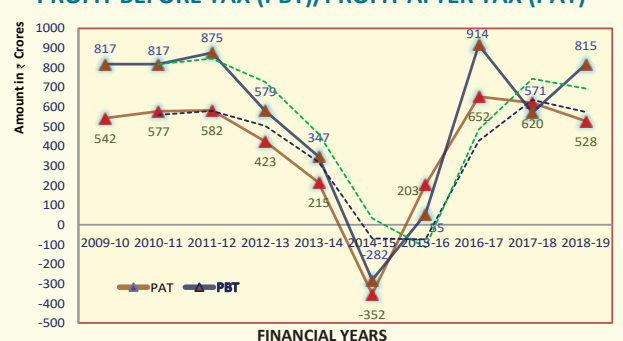
TURNOVER PER EMPLOYEE



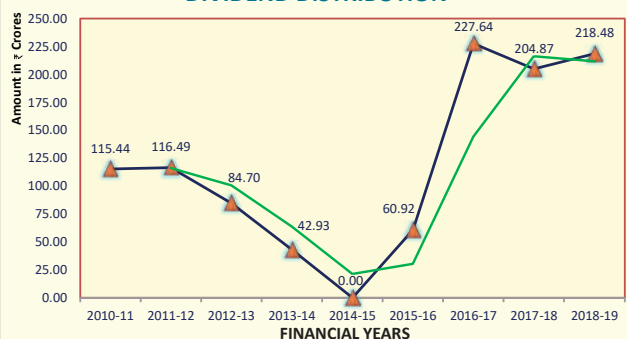
REVENUE FROM OPERATIONS



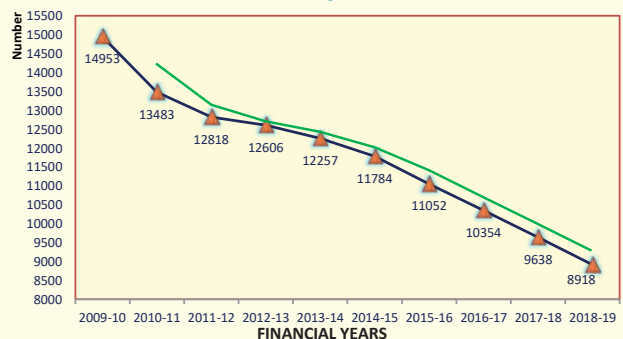
PROFIT BEFORE TAX (PBT)/PROFIT AFTER TAX (PAT)



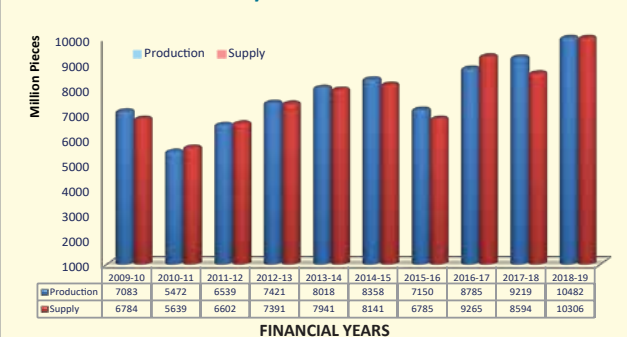
DIVIDEND DISTRIBUTION



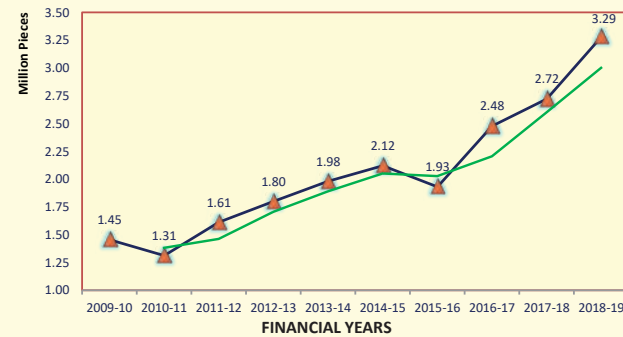
MANPOWER



PRODUCTION / SUPPLY OF BANK NOTES

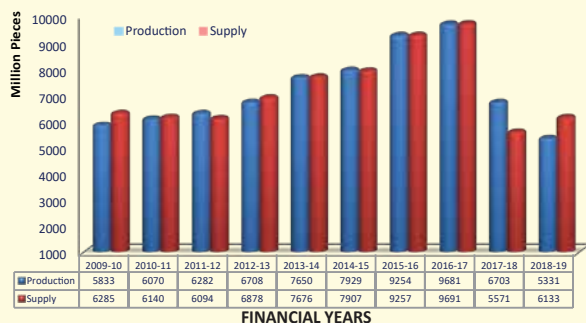


PER EMPLOYEE PRODUCTIVITY OF BANK NOTES

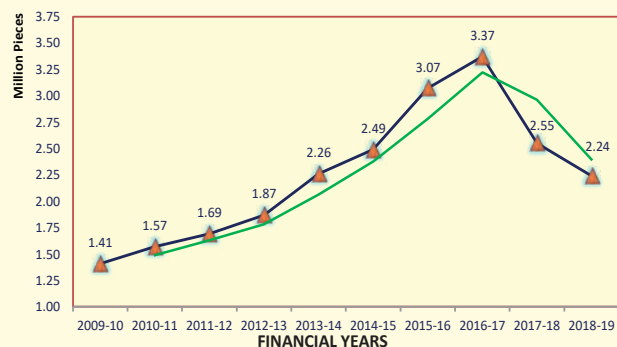




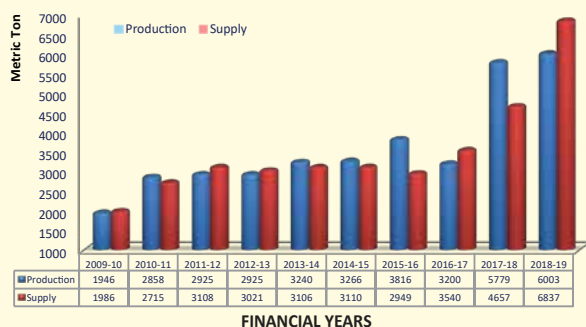
PRODUCTION / SUPPLY OF CIRCULATING COINS



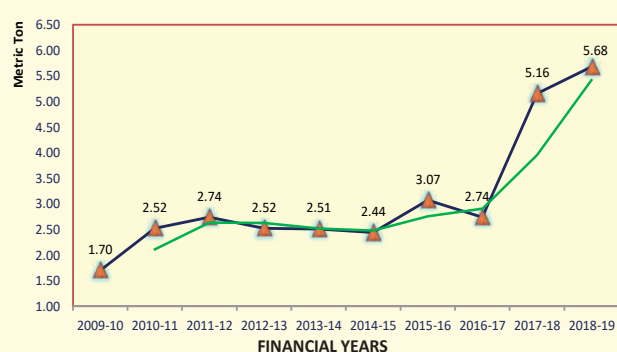
PER EMPLOYEE PRODUCTIVITY OF CIRCULATING COINS



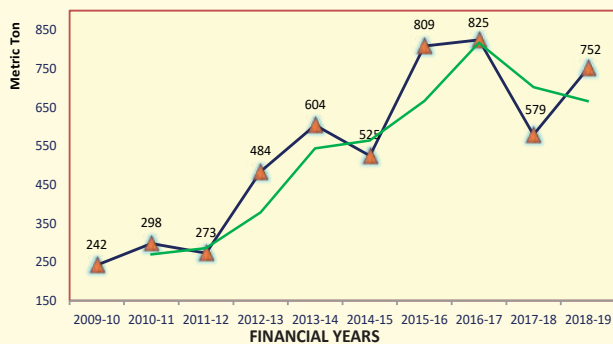
PRODUCTION / SUPPLY OF SECURITY PAPER



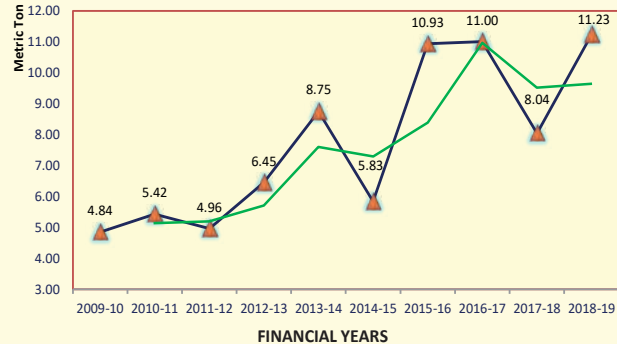
PER EMPLOYEE PRODUCTIVITY OF SECURITY PAPER



PRODUCTION OF SECURITY INKS



PER EMPLOYEE PRODUCTIVITY OF SECURITY INK



ABOUT PRODUCTION

MINTS

Minting of Circulating Coins of ₹20, ₹10, ₹5, ₹2, ₹1 Denominations, Commemorative Coins, Gold Coins, Gold & Silver refining, Fire Assay of Gold and Silver, Medals & Medallions.



CURRENCY PRINTING

Printing of Bank Notes of ₹500, ₹200, ₹100, ₹50, ₹20, ₹10 Denominations.



SPMCIL VERTICALS

SECURITY PRINTING

Printing of Passports, Visa Stickers, Postal Stationery, Non-Judicial Stamp Papers & other Security Documents.



SECURITY INKS

Manufacturing of Offset Ink, UV Ink & Quickset Intaglio Ink .

SECURITY PAPER

Manufacturing of Paper for Bank Notes of ₹500, ₹200, ₹100, ₹50, ₹10 Denominations, Non-Judicial Stamp Papers & Passports etc.





A BRIEF PROFILE OF UNITS OF SPMCIL

CURRENCY PRESSES

Currency Note Press (CNP), Nashik

Bank Note Press (BNP), Dewas

There are two Currency Printing Presses i.e. Currency Note Press, Nashik and Bank Note Press, Dewas under SPMCIL which are engaged in production of Currency/Bank Notes. About 40% of Currency/Bank Notes circulated in India are printed by SPMCIL. These units are equipped with designing, engraving, complete pre-printing and offset printing facilities, intaglio printing machines, numbering & finishing machines etc. These units have captive railway treasury wagons/carriages for transporting the treasury consignments.



Currency Note Press (CNP), Nashik



Currency Note Press (CNP), is situated at Nashik Road, Maharashtra. It was established in the year 1928 with the objective of printing currency/bank notes of denominations as per the requirements and indents placed by Reserve Bank of India from time to time. The total area of the premises is 48 acres. It is an ISO 9001 : 2008 QMS & ISO 14001 EMS certified unit. The unit is equipped with designing, engraving, complete pre printing and offset printing facilities, intaglio printing machines, numbering & finishing machines. It has designed, printed and supplied around 300 varieties of banknotes for Govt. of India and 14 foreign countries like Nepal, Burma, Bangladesh etc. This unit is having fool proof accounting of security systems, micro tints, inter -lock designs, see through designs, latent image and is using fluorescent & optically variable inks etc. to impede forgery. It is a pioneer & premier unit for examination of suspected forged notes having full-fledged Forgery Detection lab & fleet of expert officials. CNP receives suspected notes from the various investigation agencies like NIA, State CID, CBI, Banks, Courts etc. The State of Art Paper Testing Laboratory is functioning in CNP for inspection of Water mark Bank Note Paper in house.





Bank Note Press (BNP), Dewas

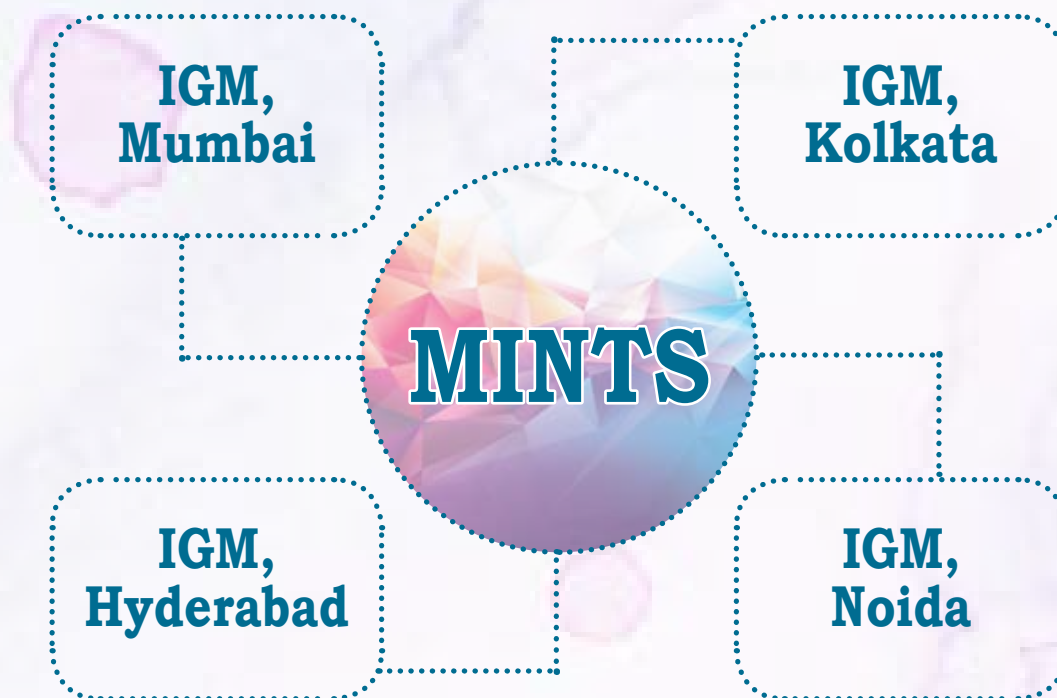


Bank Note Press, Dewas an industrial unit of Government of India, Ministry of Finance, Department of Economic Affairs, was conceived in the year 1969 and established in 1974.

It was established with the objective of producing world class, high quality, new family bank notes to impede forgery by incorporating higher security features, latest modern techniques like, the intaglio printing, the dry offset printing with security features such as continuous bleed of tints, interlock designs, see-through designs, use of fluorescent inks optically variable inks etc.

The design of Bank Note Press and machinery & technology for establishing the unit were obtained by entering into a contract with one M/s De La Rue Giori and Koeing & Bauer, now known as KBA Giori S.A., Switzerland, pioneers in the manufacturing of security machines and allied equipments. The production was started in the year 1974 and first consignment of new family of notes was remitted to Reserve Bank of India in March 1975. Bank Note Press has been equipped with all the facilities for printing and processing of bank notes of high quality and has various wings to control various activities like printing, quality control, engineering, examination group, auxiliary and administrative group. It has its own security ink manufacturing plant which produces offset, numbering and intaglio inks. The requirement of Security Inks of SPMCIL are being met in-house from this Ink manufacturing plant.





SPMCIL's four Mints at Mumbai, Kolkata, Hyderabad and Noida have rich minting heritage and legacy of producing quality products. These mints are carrying out minting of all coins circulated in the country. India Government Mints (IGMs) are engaged in wide range of activities covering every stage of minting process from blanking to the finished products. The advanced technology, innovation, quality and reliable delivery mechanism are some of the strengths of these mints. IGMs have made a niche in the minting world – with excellence in design, expertise in minting precious metals, and above all, a long tradition of craftsmanship.



India Government Mint, Mumbai



Mumbai Mint is one of the oldest mints of India. The history of Mumbai mint dates back to the last quarter of the seventeenth century. It's evolution over the centuries is identical to that of the rupee. The development of coins, from manufacturing the coins in a small place by means of hammer and anvil initially, to manufacturing by automatic machines, includes many interesting stories, for instance, in olden days the weight of the coins was decided in terms of grains. The first mint at Mumbai was set up by Governor Aungier for coinage of rupees, pies and bajruks. The first Mumbai Mint rupee was coined in the year 1672. Present Mumbai Mint was constructed between the years 1824 and 1830 by Capt. John Hawkins of Bombay Engineers. This Mint has been supplying Reference, Secondary and Working Standards set against accurate standards authenticated, calibrated and approved by NPL, New Delhi. During the Gold Control Act, Mumbai Mint was the only authorized mint to process the gold in any form other than jewellery. With the setting up of the new Aqua Regia Gold/Silver refining plant, this Mint has the facility to process gold up to a fineness of 999.99. Each of these standards play a vital role in the work of the State Governments by ensuring that the weights and measures used in the trade and commerce are of the required accuracy. Apart from having coin blanks manufacturing facility, this unit produces circulating coins and commemorative coins which are issued to celebrate special occasions/events or as a mark of respect towards distinguished individuals or monuments.





India Government Mint, Kolkata



The history of Calcutta Mint starts with the treaty of the East India Company with Nawab Siraj-ud-Daula, dated 7th February 1757. The earliest rupee from the Calcutta Mint was issued on the pattern of the Mughal Coins with Persian inscriptions. The site of the first Mint of Calcutta is not known. The second Calcutta Mint was established in 1792. The construction of the third Mint at Strand Road was planned in 1819 and it was opened for coinage on 1st August 1829 and was known as Silver Mint though gold coins had also been struck there. In 1860 an annexe known as the “Copper Mint” intended exclusively for copper coinage was built to the north of the Silver Mint. Meanwhile the need was felt by the Government of India as early as 1940 and plans were laid that they would set up a new high capacity Mint in Alipore and Calcutta Mint was shifted to Alipore, where construction work was started in 1941. For Alipore Mint 26 acres of land had been taken over by the Government from the Port Commissioner of Calcutta in 1941. It had started with a coinage production capacity of about 12 Lakh pieces per eight hours shift. This Mint played a glorious role in India’s Coinage by minting gold, silver, nickel, copper, cupro-nickel, nickel-brass and bronze coins. Apart from this Medals, Decorations, Commemorative pieces, delicate works by skilled workmanship are done for Government Departments, educational institutions, noble families, the list is virtually endless.

It has produced coins for Australia, Great Britain, Egypt, Portuguese India, Saudi Arabia, Bhutan and Pakistan and coins for Ceylon, Straits Government or straits settlements and the Imperial British East Africa Company, Mombasa.





India Government Mint, Hyderabad



India Government Mint Hyderabad was originally established in 1803 as the Royal Mint to serve as the mint for the Nizam of Hyderabad. In 1950, the mint was taken over by the Government of India, and Mint was inaugurated on 28th August 1997 at Cherlapally where the Mint at Saifabad was completely shifted on 1st November 2001 and it started operation fully. The Mint is one of the prestigious organizations in twin cities of Hyderabad and Secunderabad. This gigantic task was successfully completed under the supervision of the Central Public Works Department and the consultancy from MECON. The campus is spread over an area of 80 acres of land. Apart from the high security-minting complex, it has residential complex for essential staff (nearly 100 quarters) with well-supported infrastructure. The factory and colony is nearly self-dependent for all its basic needs. This Mint is equipped with modern machinery supplied by world's leading manufacturers of coining machines. It manufactures coins of ₹10, ₹5, ₹2 and ₹1 denominations. It is engaged in end-to-end processes for coin production i.e. blanking, annealing, pickling & polishing and stamping. Central Industrial Security Force is providing the security to the plant with security surveillance system.





India Government Mint, Noida



India Government Mint, Noida, Gautam Budh Nagar, UP is the only Mint established in the post-independence era. This is the fourth Mint in the country. In order to fill the gap between demand and supply of coins in the country, Government of India decided in the year 1984 to establish a new mint project at Noida with the estimated annual production capacity of 2000 million pieces of coins. This Mint started regular production from 1988. It was the first mint in the country to produce stainless steel coins. The project was started by the Government of India, Ministry of Finance, Department of Economic Affairs in January 1986 with an estimated budget of ₹30 Crore. Construction of the Mint was undertaken by National Building Construction Corporation (NBCC) and Metallurgical and Engineering Consultants (MECON) were the engineering consultants. The project was completed within the given time frame and dedicated to the nation on 1st July, 1988.

India Government Mint, Noida is the most modern Mint of the country with the Coining presses from Schuller, Germany which produced Ferritic Stainless Steel coins for the first time in the country. After corporatization, the Mint is functioning as one of the Units of SPMCIL. It has facilities for conversion of blanks into coins.





SECURITY PRINTING PRESSES

India Security Press (ISP), Nashik

Security Printing Press (SPP), Hyderabad

The two Security Printing Presses i.e. India Security Press, Nashik and Security Printing Press, Hyderabad use specialised technology and multiple printing processes to produce security products under secure operating procedures and manufacturing protocols. These presses have the latest technological facilities for designing, pre-printing and post-printing and have the capability of incorporating security features like chemically reactive elements, various guilloche patterns, micro lettering, designs with UV & bi-fluorescent inks, micro perforation, adhesive/glue, embossing, die-cutting and personalization etc.



India Security Press (ISP), Nashik



India Security Press (ISP), Nashik is a premier organization under SPMCIL. ISP, Nashik is more than 93 years old establishment. It was set up by British during colonial rule for printing of court fee, fiscal, postal, non-postal stamps and postal stationery items in the year 1925. Prior to 1855, Postal Stamps and other security document were printed at Her Majesty's Mint, Calcutta by the Survey of India Organization. Between 1862 and 1924, the job was entrusted to M/s Thomas De-La-Rue & Co. Ltd., London who was awarded a Contract for printing Indian Court Fee, Fiscal and Postal Stamps and Stationery.

The organization is engaged in printing and supplying a variety of security related products such as Non-judicial Stamp Papers, Judicial Stamp Papers, Revenue Stamps, Court-fee Stamps, Passport Books, Postal Stamps, Visa & other travel documents, University Certificates, Adhesive Excise Duty Stamp and other Articles like MICR Cheques in continuous stationery & booklet form, Identity Cards of Indian Army, Railway Warrants, Income Tax Return Order Forms, Saving Instruments, Commemorative Stamps etc. A Specialized Forgery Detection Cell caters to the demand of various law enforcement agencies and RBI.





Security Printing Press (SPP), Hyderabad



Security Printing Press (SPP), Hyderabad was established in the year 1982 primarily to meet the requirements of postal stationery for Department of Posts, Ministry of Communications and Information Technology, New Delhi. Subsequently, the Press has taken-over the development and printing of Non-Judicial Stamp Papers and Court Fee Stamps for State Governments.

It is equipped with latest Pre-press, Press and Post-press machinery for printing of high value security documents. This Press also has in-house laboratory to ensure the quality, conformance to high printing standards and reliability of security features of the products. SPP, Hyderabad is equipped with modern high speed printing machinery for producing high value security documents with security features like specialized numbering, perforations, UV-print technology, high-end security software for pre-press activities.





SECURITY PAPER MILL

Security Paper Mill, Hoshangabad

Bank Note Paper Mill India Private Limited (BNPMIPL)

There are two Security Paper Mills i.e Security Paper Mill, Hoshangabad and Bank Note Paper Mill India Private Limited (BNPMIPL) which have made Company self-reliant on currency and bank note paper requirement and reduced drain of foreign exchange.

BNPMIPL, a 50:50 Joint Venture with Bhartiya Reserve Bank Note Mudran Private Limited (BRBNMPL) was setup in October 2010 to implement a Green-Field project of a Bank Note Paper Mill having two state-of-the-art-technology paper lines of 6000 MT capacity each.

These projects shall lead to indigenous production of major CWBN paper requirement, import substitution thereby saving valuable foreign exchange and further aiding India to become self-reliant in banknote paper production.



Security Paper Mill, Hoshangabad



Independent India had a dream to come out of import burden of currency paper for a long time. To become self-reliant in currency and bank note paper requirement and also to save drain of foreign exchange, the decision for establishing "Security Paper Mill" was taken in early sixties. Hoshangabad was chosen as the best option based on its compliance with prerequisites like land, water, electricity, transportation and manpower.

Security Paper Mill (SPM), Hoshangabad was established in the year 1968. It manufactures different types of Security Papers for Bank Notes, Non-Judicial Stamp Papers & Passports. Security Paper manufactured by this unit is used by other SPMCIL units for printing of Currency/Bank Notes, Non-Judicial Stamps and Passports. SPM, Hoshangabad has the distinction of incorporating numerous security features in security paper viz. Fluorescent Fibres, Multitonal three Dimensional Watermark, Electrotpe Watermark, various types of Security Threads, Taggants etc.

It closely monitors and controls critical parameters specified by presses and is engaged in the continuous process system, i.e. Stock Preparation, Paper Making, Calendaring, Cutting and the Finishing process. Quality of the paper is a key factor for the organization which is accomplished in a very high security environment.





Bank Note Paper Mill India Private Limited (BNPMIPL)



BNPMIPL was setup by SPMCIL as a 50:50 Joint Venture with Bhartiya Reserve Bank Note Mudran Private Limited (BRBNMPL) in October, 2010. It is a Green-Field project for manufacturing of Bank Note paper from two state-of-art technology paper lines of capacity of 6000 MT per annum each. i.e. total capacity of 12000 MT per annum. The commercial production from both the lines has started in the year 2016.

The main objective of Joint Venture Company is to carry on the business of developing, designing, manufacturing, producing, and supplying in India and abroad of currency paper, bank note paper and all allied activities. This is a Continuous Process Industry and the product is unique of its kind having fiduciary value more than its intrinsic worth. BNPMIPL has achieved the rare feat of producing the top-class bank note paper within the short period of commencing the production. Now, the requirement of Bank Note paper is met domestically.





Brief Profile of Product Verticals

MINTS

- Circulating Coins
- Commemorative Coins
- Non-Coinage Activities

CURRENCY PRESSES

- Currency Notes
- Inks

SECURITY PRESSES

- Security Products

MINTS

India Government Mints (IGMs) at Mumbai, Hyderabad, Kolkata and Noida have rich minting heritage and a legacy of producing quality minted products. IGMs offer comprehensive range of services covering every stage of minting process from planning to the finished products. Utilization of advanced technology, innovation, quality and reliable delivery methods are key strengths of our mints.

In product development and quality assurance, IGMs strictly follow global quality standards. IGMs Circulating Coin production conforms to ISO certified quality management standards.



CIRCULATING COINS

The manufacturing process of circulating coins at SPMCIL constitutes a perfect symbiosis between centuries old art of engraving, the minting process and the most advanced industrial processes including world class technology and material management, traceability, automation to furnish the coins adhering to extreme quality and security norms.



New Series Circulating Coins 2019
(Visually Impaired Friendly)

Rupee Symbol Series (2011)

Circulating Coins after Independence

- Anna series
- The Decimal Series
- Contemporary Coins



1. New Series Circulating Coins 2019 (Visually Impaired Friendly)

Hon'ble Prime Minister of India, Shri Narendra Modi on 7th day of March 2019 released Visually Impaired Friendly New Series Circulating Coins 2019 in New Delhi. The new series includes coins of ₹1, ₹2, ₹5, ₹10 and ₹20 denominations.

The coins are characterized by the decreasing size and weight from higher to lower denominations.

The specifications are as follows:

Metal	Weight	Diameter	Shape	Obverse	Reverse
Nickel Silver & Nickel Brass	8.54 g	27 mm	12 Edged (Polygon)		
Nickel Brass & Nickel Silver	7.74 g	27 mm	Circular		
Nickel Brass	6.74 g	25 mm	Circular		
Ferritic Stainless Steel	4.07 g	23 mm	Circular		
Ferritic Stainless Steel	3.09 g	20 mm	Circular		

2. Rupee Symbol Series (2011)

In 2011, RBI introduced a new set of Circulating Coins which superseded all other issues in coin design. However, all previous coin designs/issues above the denomination of 50 paise still continue to be legal tender till any further notification by RBI. All the old Coinage Act have been repealed and since July 2011 New Coinage Act has come in force.

The specifications are as follows:

Metal	Weight	Diameter	Shape	Obverse	Reverse
Bi-Metallic	7.71 g	27 mm	Circular		
Nickel Brass	6 g	23 mm	Circular		
Ferritic Stainless Steel	4.85 g	25 mm	Circular		
Ferritic Stainless Steel	3.79 g	22 mm	Circular		
Ferritic Stainless Steel	2.83 g	19 mm	Circular		

3. Circulating Coins after Independence

The Anna Series

This series was introduced on 15th August 1950 and represented the first coinage of Republic India. The King's Portrait was replaced by the Lion Capital of the Ashoka Pillar. A corn sheaf replaced the Tiger on the One Rupee coin to depict progress and prosperity. Indian motifs were incorporated on other coins. The monetary system was largely retained unchanged with one Rupee consisting of 16 Annas.

Denomination	Metal	Obverse	Reverse
Rupee One	Nickel		
Half Rupee	Nickel		
Quarter Rupee	Nickel		
Two Anna	Cupro-Nickel		
One Anna	Cupro-Nickel		
Half Anna	Cupro-Nickel		
One Pice	Bronze		



The Decimal Series

The move towards decimalization was afoot for over a century. However, it was in September, 1955 that the Indian Coinage Act was amended for the country to adopt a metric system for coinage. The Act came into force with effect from 1st April 1957. The rupee remained unchanged in value and nomenclature. It, however, was now divided into 100 'Paisa' instead of 16 Annas or 64 Pice. For public recognition, the new decimal Paisa was termed as 'Naya Paisa' till 1st June 1964 when the term 'Naya' was dropped.

I. Naya Paisa Series 1957-1964

Denomination	Metal, Weight, Shape & Size	Obverse	Reverse
Rupee One	Nickel 10 gms Circular 28 mm		
Fifty Naye Paise	Nickel 5 gms Circular 24 mm		
Twenty Five Naye Paise	Nickel 2.5 gms Circular 19 mm		
Ten Naye Paise	Cupro-Nickel 5 gms Eight Scalloped 23 mm (across scallops)		
Five Naye Paise	Cupro-Nickel 4 gms Square 22 mm (across corners)		
Two Naye Paise	Cupro-Nickel 3 gms Eight Scalloped 18 mm (across scallops)		
One Naya Paisa	Bronze 1.5 gms Circular 16 mm		



II. Aluminium Series 1964 onwards

With commodity prices rising in the sixties, small denomination coins which were made of bronze, nickel-brass, cupro-nickel, and Aluminum-Bronze were gradually minted in Aluminum. This change commenced with the introduction of the new hexagonal 3 paise coin. A twenty paise coin was introduced in 1968 but did not gain much popularity.

Denomination	Metal, Weight, Shape &Size	Obverse	Reverse
One Paisa	Aluminium-Magnesium 0.75 gms Square 17 mm (Diagonal)		
Two Paise	Aluminium-Magnesium 1 gm Scalloped 20 mm (Across scallops)		
Three Paise	Aluminium-Magnesium 1.25 gms Hexagonal 21 mm (Diagonal)		
Five Paise	Aluminium-Magnesium 1.5 gms Square 22 mm (Diagonal)		
Ten Paise	Aluminium-Magnesium 2.3 gms Scalloped 26 mm (Across scallops)		
Twenty Paise	Aluminium-Magnesium 2.2 gms Hexagonal 26 mm (Diagonal) 24.5 mm (Across flats)		



Contemporary Coins

Over a period of time, cost benefit considerations led to the gradual discontinuance of 1, 2 and 3 paise coins in the seventies; Stainless steel coinage of 10, 25 and 50 paise was introduced in 1988 and of one rupee in 1992. The very considerable costs of managing note issues of ₹1, ₹2, and ₹5 led to the gradual coinisation of these denominations in the 1990s.

Metal	Weight	Diameter	Shape	Obverse	Reverse
Cupro-Nickel	9.00 gms	23 mm	Circular		
Cupro-Nickel	6.00 gms	26 mm	Eleven Sided		
Ferritic Stainless Steel	4.85 gms	25 mm	Circular		
Ferritic Stainless Steel	3.79 gms	22 mm	Circular		
Ferritic Stainless Steel	2.83 gms	19 mm	Circular		
Ferritic Stainless Steel	2.00 gms	16 mm	Circular		





COMMEMORATIVE / COLLECTORS' COINS

Commemorative Coins are minted to commemorate an event, occasion, place, person, organization or in memory of renowned persons and these are released by noted personalities. Most world commemorative coins were issued from 1960s onwards, although there are numerous examples of commemorative coins of earlier date. The commemorative/collectors' coins are anybody's prized possession. Such coins have a distinct design with reference to the occasion they have been issued. Many coins of this category serve as collectors items only, although some countries are also issuing commemorative coins for regular circulation.

These coins are being minted since 1964 and the first Indian commemorative coin was issued in 1964 in remembrance of the then Prime Minister Pandit Jawaharlal Nehru's birth anniversary. Since then, numerous coins from 5 paise (INR 0.05) to ₹1000 (INR 1000.00) have been issued. These coins are based on birth or death centenary of famous personalities, commemoration of special government programs or sport events, anniversaries of

historical incidents, government organisations etc.

Many commemorative coins have been issued by Mumbai Mint. The range of these exclusive coins manufactured by IGMs are the result of proven track record, where key words like efficiency, excellence and elegance are to be reckoned with.

Commemorative coins are of two types - Proof and Uncirculated.

Proof Coins









Proof coins are the high quality commemorative coins which have a frozen effect on the surface design of the coin with a mirror finish. These coins are sold at a premium price as they are manufactured with high quality standards and have high numismatic value.

Uncirculated Coins

Uncirculated coins are the high quality commemorative coins which have mirror finish on the surface but without any frozen effect on the design. These coins are marked with a diamond symbol to indicate that they are stamped at Mumbai Mint. The uncirculated coins are also sold at premium but they are priced a little lower than the proof coins.



A glimpse of some Commemorative Coins

	
<p>Biju Patnaik Birth Centenary (1916-2016)</p>	<p>200th Birth Anniversary of Tatya Tope (2015)</p>
	
<p>Birth Centenary of Pandit Deendayal Upadhyaya (1916-2016)</p>	<p>150th Birth Anniversary of Shrimad Rajchandra (1867-1901)</p>
	
<p>125th Birth Anniversary of Prasanta Chandra Mahalanobis (1893-1972)</p>	<p>500th Anniversary of Shri Krishna Chaitanya Mahaprabhu's Coming to Vrindavan (2015)</p>
	
<p>Comptroller and Auditor General (CAG) of India (1860-2010)</p>	<p>State Bank of India (1806-2006)</p>



Platinum Jubilee of Indian Air Force
(1932-2007)



Celebrating India ONGC 50 Years
(1956-2006)



150 Years of Telecommunications (2004)



150 Years of Indian Railways (2003)



150th Birth Anniversary of Rabindranath Tagore
(1861-2011)



Income Tax – 150 Years of Building India
(1860-2010)



XIX Commonwealth Games Delhi (2010)



60 Years of India Government Mint, Kolkata
(1952-2012)



	
<p>BHEL – 50 Years of Engineering Excellence (1964-2014)</p>	<p>175th Birth Anniversary of Sir Jamsetji Nusservanji Tata (1839-2014)</p>
	
<p>Birth Centenary of Dr. M. S. Subbulakshmi (1916-2016)</p>	<p>Mahatma Gandhi's Return From South Africa (1915-2015)</p>
	
<p>Banaras Hindu University (1916-2016)</p>	<p>International Day of Yoga (2015)</p>
	
<p>475th Birth Anniversary of Maharana Pratap (2015)</p>	<p>University of Mysore Centenary Celebration (1916-2016)</p>
	
<p>Birth Centenary of Begum Akhtar (1914-2014)</p>	<p>Birth Centenary of Swami Chinmayananda (2015)</p>



	
<p>Golden Jubilee of RBI (1935-1985)</p>	<p>50th Anniversary of Khadi & Village Industries Commission</p>
	
<p>150th Anniversary of First War of Independence (1857-2007)</p>	<p>Golden Jubilee of Supreme Court of India (1950-2000)</p>
	
<p>Birth Centenary of Rani Gaidinliu (1915-2015)</p>	<p>150 years of Kuka Movement (1857-2007)</p>
	
<p>125th Birth Anniversary of Dr. S. Radhakrishnan (2015)</p>	<p>Golden Jubilee 1965 Operation – Valour & Sacrifice (2015)</p>



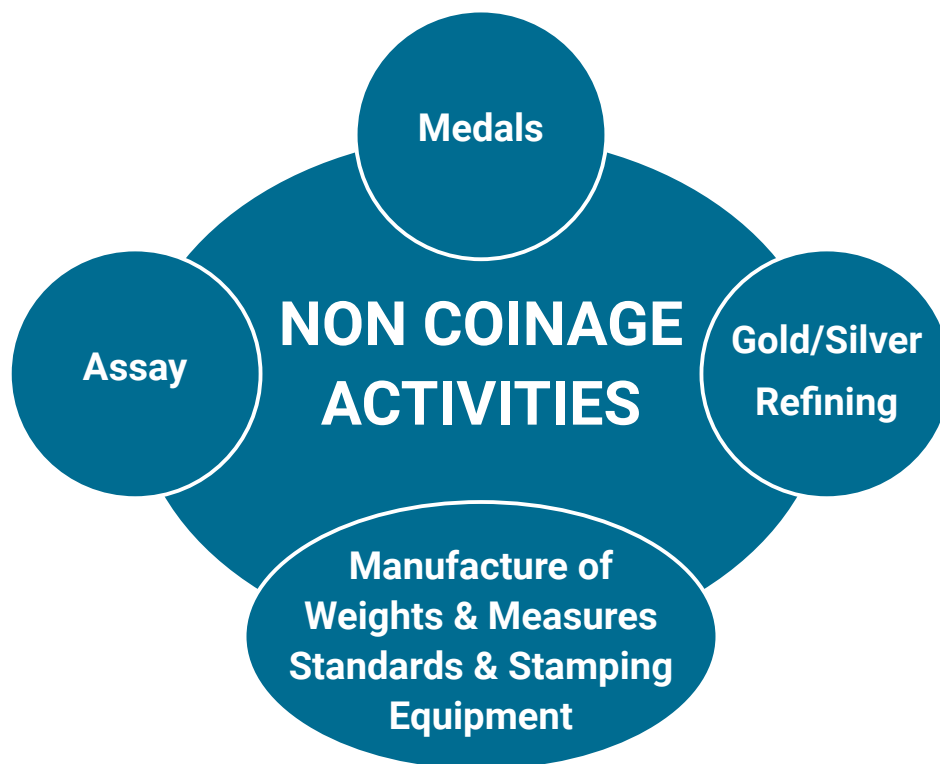
	
<p>3rd India - Africa Forum Summit (2015)</p>	<p>125th Birth Anniversary of Dr BR Ambedkar (2015)</p>
	
<p>150th Birth Anniversary of Lala Lajpat Rai (1865-2015)</p>	<p>60 Years of Coir Board (1953-2013)</p>
	
<p>Centenary Commemoration of Komagata Maru Incident (1914-2014)</p>	<p>150th Birth Anniversary of Motilal Nehru (2012)</p>
	
<p>150th Birth Anniversary of Madan Mohan Malviya (1861-2011)</p>	<p>100 years of Civil Aviation (1911-2011)</p>



	
<p>100 years of Indian Council of Medical Research (1911-2011)</p>	<p>Mother Teresa Birth Centenary (1910-2010)</p>
	
<p>1000 years of Brihadeeswarar Temple Thanjavur, Tamil Nadu (2010)</p>	<p>Birth centenary of Homi Bhabha (2008-2009)</p>
	
<p>60 years of the Commonwealth (2009)</p>	<p>Ter-Centenary of Gur-Ta-Gaddi (2008)</p>
	
<p>Birth Centenary of Saint Alphonsa (1910-2009)</p>	<p>Shaheed Bhagat Singh Birth Centenary (1907-2007)</p>



NON COINAGE ACTIVITIES



- Medals**

Medals are manufactured for many Government & non-government organizations viz. Ministry of Home Affairs & Ministry of Defence, various Universities, various temples, trusts etc. We have manufactured medals for almost all the major institutions.

A Glimpse of Medals & Mementos

			
North Eastern Regional Institute of Science and Technology	Shri Saibaba Sansthan Trust	Pravasi Bhartiya Samman	ST. Peter's School, Panchgani



			
Kumbh Snan Souvenir 2019	Commonwealth Games 2010	Tirumala Tirupati Devasthanams	Siddhivinayak Temple
			
Indian Railways	Ministry of External Affairs	West Bengal University of Technology, Kolkata	Indian Film Festival
			
IIT Kharagpur	Asiatic Society of Bengal Barclay Medal	Burma Agri-Horticultural Society	Indian Art Exhibition
			
Assam Rifles	Thomson Civil Engineering College Roorkee	Oudh Agricultural Exhibition	Indian Railways



SPMCIL is the only manufacturer for Bharat Ratna, Padma Vibhushan, Bhushan, ParamVir & Vir Chakra.

			
Bharat Ratna		Padma Bhushan	
			
Padma Shri		Padma Vibhushan	
			
Paramvir Chakra		Mahavir Chakra	
			
Vir Chakra			



- Assay**

The primary function of the assay department is to check the quality of the coins manufactured in the Mint, maintain and ensure a correct legal standard of the coinage of the country. Apart from this, assay of gold & other precious metals received from other parties is carried out for certification of its purity.



- Gold/Silver refining**

During the Gold Control Act, Mumbai Mint was the only authorized unit to process the gold in any form other than jewellery. With the setting up of the new Aqua Regia Gold/Silver refining plant, we, now, have the facility to process gold up to a fineness of 999.9.





IGM, Mumbai has obtained the NABL accreditation certificate for Fire Assay of Gold and Assaying of Silver. IGM, Mumbai and IGM, Kolkata have also obtained BIS Licence to use the standard mark for Gold Coins. IGM, Mumbai has the facility of Gold refining and can process gold upto a fineness of 999.9g/kg.

Apart from the above, IGM, Mumbai was entrusted with the job of manufacturing Indian Gold Coins under Gold Monetisation Scheme of Government of India with high quality standards and stringent security features.



Manufacture of Weights & Measures Standards & Stamping Equipment

One of the important activities of Mumbai mint is manufacturing of the reference, secondary and working standard of weights and capacity. Each of these standards plays a vital role in the work of the state governments by ensuring that the weights and measures used in the trade and commerce are of the required accuracy. Apart from these, verification stamps, identification stamps, quarter stamps, obliterating stamps etc. are also manufactured here.



CURRENCY PRESSES

With over 75 years of experience in Currency Printing for India as well as for foreign countries, SPMCIL units have created a niche for themselves in the market.

Our Currency Note Press (CNP) at Nashik is equipped with state-of-art complete pre-printing and offset facilities, intaglio printing machines, numbering and finishing machines and post-printing processes.

Bank Note Press at Dewas is another SPMCIL's technically equipped unit having designing, engraving, up-to-date complete pre-printing and offset facilities, intaglio printing machines, numbering & finishing machines. It is also a leading security ink manufacturer.

Both the Currency Note printing units have fool-proof accounting of security items, stringent security systems with ultra-modern, ecofriendly efficient treatment facilities complemented by a service department to ensure maximum in transit security. Our units have captive railway treasury wagons/ carriages for transporting treasury consignments.





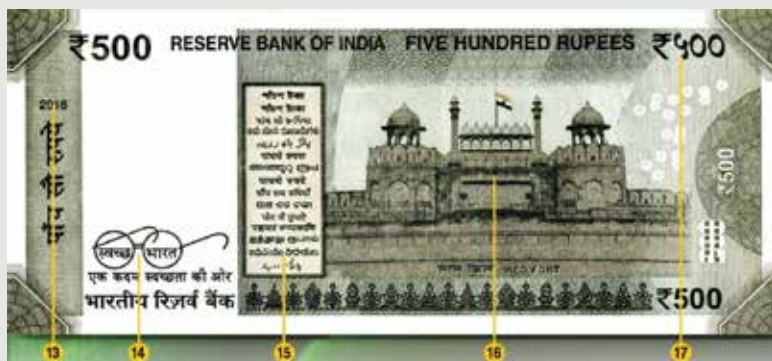
CURRENCY NOTES

New Series of ₹500 Denomination (Dimension is 66 mm x 150 mm)

The ₹500 denomination banknotes in the Mahatma Gandhi (New) Series bear signature of the Governor, Reserve Bank of India. The note has motif of "Red Fort" on the reverse, depicting the country's heritage. The base colour of the note is stone grey. The note has other designs and geometric patterns aligning with the overall colour scheme, both at obverse and reverse.



Obverse



Reverse

Salient features of the ₹500 Bank Notes

Obverse

1. See through register with denominational numeral 500.
2. Latent image with denominational numeral 500.
3. Denominational numeral ५०० in Devnagari
4. Portrait of Mahatma Gandhi at the centre
5. Micro letters 'भारत' and 'India'
6. Colour shift windowed security thread with inscriptions 'भारत', and 'RBI', Colour of the thread changes from green to blue when the note is tilted.
7. Guarantee clause, governor's signature with Promise Clause and RBI emblem towards right of Mahatma Gandhi's portrait.
8. Mahatma Gandhi's Portrait and electrotpe (500) watermarks.
9. Number panel with numerals in ascending font

on the top left side and bottom right side.

10. Denominational numeral with Rupee symbol in (₹500) in colour changing ink (green to blue) on bottom right.
11. Ashoka pillar emblem on the right.
12. **Some features for visually impaired :** Intaglio or raised printing of Mahatma Gandhi portrait (4), Ashoka pillar emblem (11), circular identification mark with microtext ₹500 on the right, five angular bleed lines on both the left and right sides.

Reverse

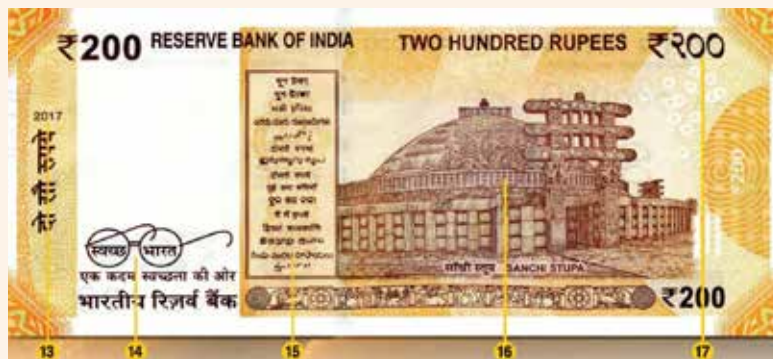
13. Year of printing of the note on the left.
14. Swachh Bharat logo with slogan.
15. Language panel.
16. Motif of Red Fort.
17. Denominational numeral ५०० in Devnagari.

New Series of ₹200 Bank Note (Dimension: 66 mm x 146 mm)

The ₹200 denomination banknotes in the Mahatma Gandhi (New) Series bear signature of the Governor, Reserve Bank of India. The note has motif of "Sanchi Stupa" on the reverse, depicting the country's cultural heritage. The base colour of the note is bright yellow. The note has other designs and geometric patterns aligning with the overall colour scheme, both at obverse and reverse.



Obverse



Reverse

Salient features of the ₹200 Bank Notes

Obverse

1. See through register with denominational numeral 200.
2. Latent image with denominational numeral 200.
3. Denominational numeral २०० in Devnagari.
4. Portrait of Mahatma Gandhi at the centre.
5. Micro letters 'भारत' and 'India'.
6. Colour shift windowed security thread with inscriptions 'भारत' and 'RBI'. Colour of the thread changes from green to blue when the note is tilted.
7. Guarantee Clause, Governor's signature with Promise Clause and RBI emblem towards right of Mahatma Gandhi's Portrait.
8. Mahatma Gandhi's portrait and electrotype (200) watermarks.
9. Number panel with numerals in ascending font on the top left side and bottom right side.

10. Denominational numeral with Rupee symbol (₹200) in colour changing ink (green to blue) on bottom right.

11. Ashoka Pillar emblem on the right,
12. Features for the visually impaired:

Intaglio or raised printing of Mahatma Gandhi portrait (4), Ashokapillar emblem (11), Identification mark H with micro-text ₹200 on the right, four angular bleed lines with two circles in between the lines both on the left and right sides.

Reverse

13. Year of printing of the note on the left.
14. Swachh Bharat logo with slogan.
15. Language panel.
16. Motif of Sanchi Stupa.
17. Denominational numeral २०० in Devnagari.

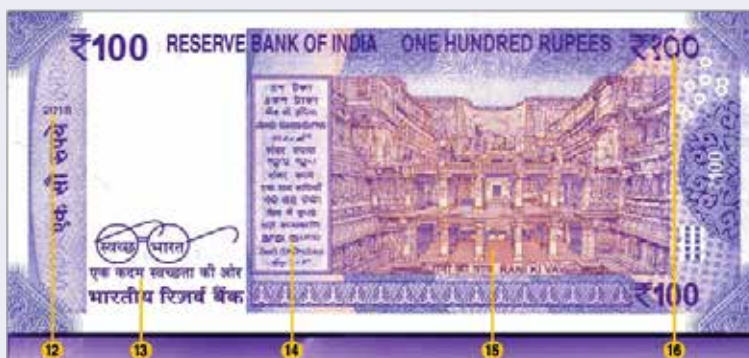


New Series of ₹100 Bank Note(Dimension: 66 mm x 142 mm)

The new ₹100 denomination banknotes in the Mahatma Gandhi (New) Series bear signature of the Governor, Reserve Bank of India. The new note has motif of "Rani ki Vav" on the reverse, depicting the country's cultural heritage. The base colour of the note is lavender. The note has other designs and geometric patterns aligning with the overall colour scheme, both at obverse and reverse.



Obverse



Reverse

Salient features of the ₹100 Bank Notes

Obverse

1. See through register with denominational numeral 100.
2. Latent image with denominational numeral 100.
3. Denominational numeral १०० in Devnagari.
4. Portrait of Mahatma Gandhi at the centre.
5. Micro letters 'भारत' and 'India'
6. Colour shift windowed security thread with inscriptions 'भारत' and 'RBI', colour of the thread changes from green to blue when the note is tilted.
7. Guarantee Clause, Governor's signature with Promise Clause and RBI emblem towards right of Mahatma Gandhi's portrait.
8. Mahatma Gandhi's portrait and electrotpe (100) watermarks.

9. Number panel with numerals in ascending font on the top left side and bottom right side.
10. Ashoka Pillar emblem on the right.
11. Features for the visually impaired:
Intaglio or raised printing of Mahatma Gandhi's portrait (4), Ashoka Pillar emblem (10), triangular identification mark with micro-text ₹100 on the right, four angular bleed lines both on the left and right sides.

Reverse

12. Year of printing of the note on the left.
13. Swachh Bharat logo with slogan.
14. Language panel.
15. Motif of Rani Ki Vav.
16. Denominational numeral १०० in Devnagari.



New Series of ₹50 Bank Note(Dimension: 66 mm x 135 mm)

The new ₹50 denomination banknotes in the Mahatma Gandhi (New) Series bear signature of the Governor, Reserve Bank of India. The note has motif of 'Hampi with chariot' on the reverse, depicting the country's cultural heritage. The base colour of the note is fluorescent blue. The note has other designs and geometric patterns aligning with the overall colour scheme both at obverse and reverse.



Obverse



Reverse

Salient features of the ₹50 Bank Notes

Obverse

1. See through register with denominational numeral 50.
2. Denominational numeral ५० in Devnagari.
3. Portrait of Mahatma Gandhi at the centre.
4. Micro letters 'भारत' and 'India'.
5. Windowed demetalised security thread with inscriptions 'भारत' and 'RBI'.
6. Guarantee Clause, Governor's signature with Promise Clause and RBI emblem towards right of Mahatma Gandhi's portrait.

7. Mahatma Gandhi's portrait and electrotype (50) watermarks.
8. Number panel with numerals in ascending font on the top left side and bottom right side.
9. Ashoka Pillar emblem on the right.

Reverse

10. Year of printing of the note on the left.
11. Swachh Bharat logo with slogan.
12. Language panel.
13. Motif of Hampi with Chariot.
14. Denominational numeral ५० in Devnagari.



New Series of ₹20 Bank Note (Dimension: 63 mm x 129 mm)

The new ₹20 denomination banknotes in the Mahatma Gandhi (New) Series bear signature of the Governor, Reserve Bank of India. The note has motif of Ellora Caves on the reverse, depicting the country's cultural heritage. The base colour of the note is Greenish Yellow. The note has other designs, geometric patterns aligning with the overall colour scheme, both at the obverse and reverse.



Obverse



Reverse

Salient features of the ₹20 Bank Notes

Obverse

1. See through register with denominational numeral 20.
2. Denominational numeral २० in Devnagari.
3. Portrait of Mahatma Gandhi at the centre.
4. Micro letters 'भारत', and 'India' and "20".
5. Windowed demetalised security thread with inscriptions 'भारत' and 'RBI'.
6. Guarantee Clause, Governor's signature with Promise Clause and RBI emblem towards right of Mahatma Gandhi's portrait.
7. Ashoka Pillar emblem on the right.

8. Mahatma Gandhi's portrait and electrotype (20) watermarks.
9. Number panel with numerals growing from small to big on the top left side and bottom right side.

Reverse

10. Year of printing of the note on the left.
11. Swachh Bharat logo with slogan.
12. Language panel.
13. Motif of Ellora Caves.
14. Denominational numeral २० in Devnagari.



New Series of ₹10 Bank Note (Dimension: 63 mm x 123 mm)

The new ₹10 denomination banknotes in the Mahatma Gandhi (New) Series bear signature of the Governor, Reserve Bank of India. The note has motif of 'Sun Temple, Konark' on the reverse, depicting the country's cultural heritage. The base colour of the note is chocolate brown. The note has other designs and geometric patterns aligning with the overall colour scheme both at obverse and reverse.



Obverse



Reverse

Salient features of the ₹10 Bank Notes

Obverse

1. See through register with denominational numeral 10.
2. Denominational numeral १० in Devnagari.
3. Portrait of Mahatma Gandhi at the centre.
4. Micro letters 'भारत', and 'India'.
5. Windowed demetalised security thread with inscriptions 'भारत' and 'RBI'.
6. Guarantee Clause, Governor's signature with Promise Clause and RBI emblem towards right of Mahatma Gandhi's portrait.

7. Mahatma Gandhi's portrait and electrotpe (10) watermarks.
8. Number panel with numerals in ascending font on the top left side and bottom right side.
9. Ashoka Pillar emblem on the right.

Reverse

10. Year of printing of the note on the left.
11. Swachh Bharat logo with slogan.
12. Language panel.
13. Motif of Sun Temple, Konark.
14. Denominational numeral १० in Devnagari.



SECURITY INKS



The Ink Factory, Bank Note Press, Dewas is engaged in manufacturing of security inks. Initially the major products were Dry Offset Inks in different inks, Letterpress and Gravure inks. Over the period of time the technical expert of Ink Factory made dedicated efforts to develop varieties of inks used in different security documents.

The major inks for Passport, Visa, Stamp Papers, Postal Stationeries, Bank Documents, Certificates etc. are made at Ink Factory and supplied to different Security Presses like India Security Press, Currency Note Press, and Security Printing Press etc. To mention a few out of major achievements of Ink Factory are in-house development of formulations for all inks, numbering inks, invisible inks, bi-fluorescent ink, infrared sensitive inks, conventional intaglio inks and the most important Quickset Intaglio Inks.

Bank Note Press, Dewas as well as other currency printing presses were procuring Quickset Intaglio Inks from foreign suppliers. In 2006, Ink Factory took up the challenge to develop the Quickset Intaglio Inks in-house. Vigorous R&D efforts were made by the Technical Expert of Ink Factory. Commercial bulk production was made in the year 2009-10.

Initially the Ink Factory was setup to manufacture 240 MT of different inks in a year. Keeping in view the increasing demand of the bank notes, the need for parallel expansion of Ink Factory was felt and decision was taken to erect a New Ink Factory building and install new machines and other auxiliary equipment to raise the production capacity to 1500 MT of different Inks. The ink factory supplies total requirement of BNP, CNP, ISP and SPP except OVI/ CSI ink. The excess capacity is being supplied to Mysore and Salboni presses of BRBNMPL regularly.



SECURITY PRESSES

SECURITY PRODUCTS

Preserving the sanctity of valuable documents

With more than 80 years of experience, Security Printing presses of SPMCIL has employed specialized technology and multiple printing processes to produce security products under secure operating procedures and manufacturing protocols. The printing processes adopted for security printing are carried through offset, photogravure and letterpress processes.

Wide Spectrum of Security End Products

India Security Press (ISP), Nashik has exclusive

printing facility and expertise in the production of Commemorative Postal Stamps. Advance machines like Automatic Passport Booklet Manufacturing Systems, world class standard Guillotine machines, Perforating machines, Latest Cheque Printing Systems are used to produce premium quality products.

Security Printing Press (SPP), Hyderabad is equipped with modern pre-press plate making systems and post printing techniques with processing facility for Perforation, Numbering, UV Print Technology, Online Envelope making, Inland Letters, Aerograms, Postal Stationery etc.

Security Products manufactured by Security Presses are:

POST CARDS



ENVELOPS



INLAND LETTER CARDS



POSTAL STAMPS



POSTAL ORDERS

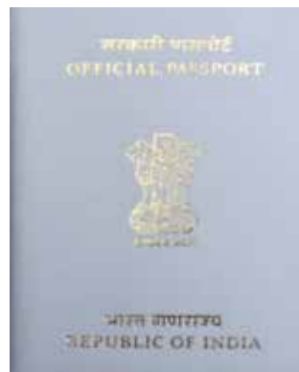
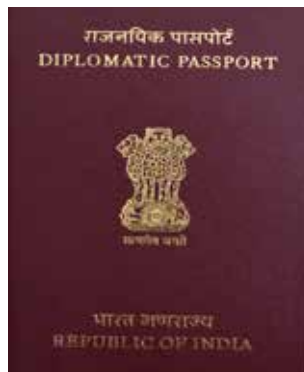
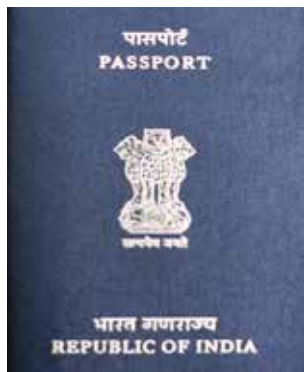


COMMEMORATIVE STAMPS





PASSPORTS & ALLIED



VISA STICKERS





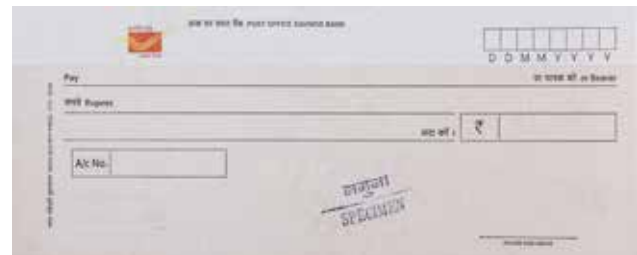
NON-JUDICIAL STAMP PAPER



OTHER STAMPS



MICR & NON MICR CHEQUES



EXCISE LABELS



ELECTORAL BONDS



ELECTORAL SEALS etc.





CERTIFICATES OF UNIVERSITIES / BOARDS / INSTITUTIONS





Notable Clientele



“A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not an outsider in our business. He is part of it. We are not doing him a favor by serving him. He is doing us a favor by giving us an opportunity to do so.”

Apart from the regular manufacturing of the products of national use such as currency, stamps, judicial and non judicial documents and certificates; SPMCIL is also host to an eclectic clientele of the various temples spread accross the Nation. SPMCIL provides refining services for the precious metals donated to these temples and is also engaged in the production of momentos/ coins for such places of spiritual value. More over, apart from them, numerous distinguished organisations i.e. RBI, MEA, DOP and certain valuable education institutional are also associated with us as a client. Detail of some of our distinguished clients is mentioned below:

GOVERNMENT ORGANISATIONS

- | | |
|--------------------------------|----------------------------|
| ➤ Reserve Bank of India | - Bank Notes |
| ➤ Ministry of External Affairs | - Passports & Allied |
| ➤ Department of Posts | - Postal Stationeries |
| ➤ Election Commission | - Election Stationeries |
| ➤ Ministry of Home Affairs | - Medals and Security Seal |
| ➤ Ministry of Defence | - Medals, ID Cards |
| ➤ Ministry of Finance | - Currency Notes, Coins |

PRESTIGIOUS TEMPLES

- | | |
|--|--|
| ➤ Tirumala Tirupati Devasthanam | - Gold Refining + Manufacturing Gold Pendants |
| ➤ Sidhivinayak Temple | - Gold Refining + Manufacturing Gold Pendants |
| ➤ Sai Baba Sansthan Trust | - Manufacturing Silver Coins |
| ➤ Mata Vaishno Devi Trust | - Gold Refining |
| ➤ Sri Venkateswara Vari Devasthanam | - Gold Refining through SBI under Gold Monetisation Scheme |
| ➤ Sri Triketeswara Swamy Temple | - Gold Refining through SBI under Gold Monetisation Scheme |
| ➤ Sri Nettikanti Anjaneya Swamy Vari Devasthanam | - Gold Refining through SBI under Gold Monetisation Scheme |
| ➤ Sri Varaha Lakshmi Narasimha Swamy Devasthanam | - Gold Refining through SBI under Gold Monetisation Scheme |
| ➤ Attukal Temple | - Gold Refining |
| ➤ Shree Jagadamba Devi Sarvajanic Trust | - Gold & Silver Refining |



प्रतिभूति स्याही कारखाना
रेवा (म.प्र.)





Shri Subhash Chandra Garg, the then Finance Secretary, Ministry of Finance, Government of India inaugurated the New Ink Factory having State-of-the-Art Plant and Machinery at BNP, Dewas.



Director's Profile

A brief profile of the Directors on Board of SPMCIL as on date of this report is furnished hereunder:



Ms. Tripti P. Ghosh,
Chairman & Managing Director

Ms. Tripti P. Ghosh is a Post Graduate in Economics from Delhi University. She belongs to 1994 batch of ICAS. She has wide experience of working in the various Ministries of Government of India. She also held the position of Director (Finance) of NIFT an autonomous organization under Ministry of Textiles. She was on Central Deputation from 2010 to 2015 and was posted as Director (Pension Policy). She was involved in policy formulation for the Central Government Pensioners. As Joint Controller General of Accounts, she was inter alia responsible for presenting the monthly status of the fiscal position of Government to Ministry of Finance.

Ms. Ghosh took over as CMD, SPMCIL w.e.f. 1st May 2018. Ms. Ghosh is also Chairman of Bank Note Paper Mill India Pvt. Ltd. (BNPMIPL), a JV between SPMCIL & BRBNMPL.



Shri Ajai Kumar Srivastav,
Director (Technical)

Shri Ajai Kumar Srivastav, aged 58 years, is a graduate in Mechanical Engineering, MBA (HR) and holds Post Graduate Diploma in Personnel Management & Labour Laws. Shri Srivastav has held positions in Government of India, viz. Assistant Engineer in Department of Animal Husbandry, Dairying and Fisheries, Ministry of Agriculture and Works Manager/Senior Works Manager in India Govt. Mint, Noida under Department of Economic Affairs, Ministry of Finance (prior to corporatization). He has undergone specialized training of three months in 'Industrial Hydraulics' at Norway under India-NORAD (Norwegian Agency for Development Cooperation) development programme. Before joining as Director (Technical), SPMCIL on 29th August 2016 Shri Srivastav has held various positions like Dy. General Manager & HoD, SPP, Hyderabad, General Manager, India Government Mint, Hyderabad and General Manager, India Government Mint, Mumbai.

Shri Srivastav has been conferred with the Business Leadership Award-2013 for 'Manufacturing Excellence for Coins & Medals'. He has also been conferred with the award of 'Fellow' by the Institution of Engineers, Kolkata. Under his direction and supervision, India Government Mint, Mumbai was accredited for NABL ISO/IEC 17025:2005 for precious metal testing.

Shri Srivastav is highly committed to achieve organizational goals, maintaining cordial industrial relations and keeping workforce motivated and disciplined. He has organized various training and development programmes for Industrial Workers and Supervisors in the areas of productivity, performance, safety, health & environment, energy conservation, advanced technology, quality management etc.

Shri Srivastav is also a Nominee Director of SPMCIL on the Board of Joint Venture Company, Bank Note Paper Mill India Private Limited (BNPMIPL).



Shri S.K. Sinha,

Director (HR)



Shri S.K. Sinha started his career as Indian Railway Personnel Service (IRPS) Officer in 1993 and later got absorbed in Delhi Metro Rail Corporation Limited (DMRC). He is Graduate (Hons) in English Literature, Bachelor of Law and has Post Graduate Diploma in HRM.

He has worked in various capacities in Indian Railways, from managing large number of human resource, employee welfare and Industrial relations, with stint at Bhilai, Bilaspur, Bhubaneswar and Guwahati.

In DMRC, he was responsible for setting up the organisation right from its initial days in 2002, and was in-charge of recruitment, training, HR consultancy and establishment. He held the charge of General Manager (HR) in DMRC since 2010. He was instrumental in providing consultancy for manpower planning, benchmarking, productivity and capacity building of a number of MRTS (Mass Rapid Transit Systems) in the country like-Jaipur, Kochi, Lucknow, Nagpur, Bangalore, Noida, Mumbai etc, including erstwhile PPP model Airport Line of Delhi. He has also co-ordinated Organisation & HR issues and best practices for benchmarking with Asian Metro systems and NOVA - COMET group of MRT systems in the world.

During 2013-14, he worked as an International Expert in JICA funded Consultancy Project for Jakarta (Indonesia) Metro.

He joined as Director (HR), SPMCIL on 1st September, 2016. He is also Director on the Board of BNPMIPL, Mysuru, which is a 50:50 JV Company of SPMCIL and BRBNMPL (Subsidiary of RBI).

Shri Ajay Agarwal,

Director (Finance)



Shri Ajay Agarwal joined SPMCIL as Director (Finance) w.e.f. 23rd November 2017. He is a Gold Medalist Commerce Graduate, Cost & Management Accountant and Masters in Business Administration (HR). He joined Indian Cost Accounts Service in the year 1992 and has served various Ministries & field organizations in various capacities. He has served Ministry of Food Processing Industries, Ministry of Finance, Ministry of Health & Family Welfare, Ministry of Commerce. He looked after around 110 subordinate offices spread across India during his tenure with Ministry of Health & Family Welfare as Director Administration & Vigilance. He was instrumental in bringing systemic improvements in the functioning of various offices of Ministry of Health like Central Government Health Scheme (CGHS), Port Health Offices (PHO), Airport Health Offices (APHO), Regional Offices and other health institutes of national prominence through numerous innovative measures.

He has also worked as Chief Vigilance Officer (CVO), IREDA under Ministry of New & Renewable Energy. He has served as Director (Finance), Delhi State Industrial and Infrastructure Development Corporation Limited (DSIIDC) for more than four years. Prior to joining SPMCIL, he served Office of Chief Advisor Cost, Department of Expenditure, Ministry of Finance as Advisor (Cost) for a short duration.

Shri Ajay Agarwal has travelled widely during his assignment with various Central Government Ministries and PSUs. He has attended various training programmes in India and abroad including short term course in Financial Analytical skills at London School of Economics (LSE) and in Public Private Partnership (PPP) at the Institute of Public Private Partnerships (IP3), Washington, a renowned institute of USA.

Shri Ajay Agarwal has more than 25 years of experience and expertise in corporate finance, corporate governance, capital structuring, equity and debt funding, strategic business planning, projects funding, treasury and financial management, financial and internal control, supply chain management, budgetary and cost control, process improvement, compliance, statutory and management reporting.



Ms. Meera Swarup,

Director (Govt. Nominee,
Ministry of Finance)

Ms. Meera Swarup joined Indian Audit and Accounts Service in 1988. She is presently working as Additional Secretary & Financial Advisor in Ministry of Finance, Government of India.

Prior to joining Ministry of Finance, She held the position of Director General (P&T Audit) and Director General (Hqrs.) in the Office of C&AG of India. She has worked as Principal Accountant General and Accountant General in the States of Gujarat, Rajasthan and Madhya Pradesh. She was posted as Director of External Audit at Geneva responsible for external audit of WHO, WIPO and IOM from 2010 to 2012. While on deputation with Government of India from 1994-1998, She worked as Deputy/Joint Director in the Fund Bank Division, Department of Economic Affairs, Ministry of Finance.

She has a Master's degree in Political Science from University of Delhi and has vast experience in administration, financial management, audit of State & Central Governments, Public Sector Companies and audit of International Organisations.

She has been appointed as a Govt. Nominee Director from the Department of Expenditure, Ministry of Finance and acting as part-time Director on the Board of SPMCIL w.e.f. 10th March 2016. She is also a Director on the Board of GSTN.



Shri Prashant Goyal,

Director (Govt. Nominee,
Ministry of Finance)

Shri Prashant Goyal (IAS-1993) has been appointed as a Government Nominee Director vide order dated 26th April 2018 of DEA, Ministry of Finance and is acting as part-time Director on the Board of SPMCIL w.e.f. 2nd May 2018. Shri Goyal has done B.E. (Electrical Engineering) from NIT Jaipur and PG Diploma in Public Policy and Management from IIM, Bangalore. He holds certificates from University of California, Irvine in Macro Economics & Micro Economics Policy.

He has worked in various Government Departments including Finance, Commerce, Taxation and Infrastructure at various positions. He has been serving as Joint Secretary, Department of Economic Affairs, Ministry of Finance since 7th September 2015. His current charges include UN, Multilateral Institutions and Coin & Currency. He has attended various training programmes (both in India and abroad) w.r.t. areas relating to Finance, Commerce, Taxation and Infrastructure.



Shri S.C.L. Das,

Director (Govt. Nominee,
Ministry of Home Affairs)

Shri S.C.L. Das is an Indian Administrative Service Officer of Arunachal-Goa-Mizoram-Union Territories (AGMUT) Cadre belonging to 1992 batch. He has done B.Sc. from Patna University, LL.B. from Delhi University and Master in Public Health from Johns Hopkins University, USA. He has worked in various capacities in the Government of Arunachal Pradesh, Government NCT of Delhi, Chandigarh Administration, Andaman & Nicobar Administration, United Nations Office for Project Services (UNOPS) and Government of India.

In addition to handling the responsibilities of District Magistrate, he was Secretary, Transport, Civil Supplies and Civil Aviation in the Government of Arunachal Pradesh. In Chandigarh Administration, he worked in the areas of Urban Housing, Finance and Taxation. In Government of NCT of Delhi, he served as Health Secretary and as Secretary to Lt. Governor. In Andaman & Nicobar Administration, he headed the Finance, Planning, Health and Urban Development Departments and oversaw the implementation of Goods & Services Tax. In UNOPS, he worked in the area of project management and capacity building in the health sector. In Government of India, he has worked earlier as Director in the Ministry of Home Affairs and also in the Prime Minister's Office.

Shri S.C.L. Das is currently functioning as Joint Secretary in the Ministry of Home Affairs, handling the responsibilities of Internal Security-I Division. He is also handling additional charge of Cyber Information Security Division. He has been nominated as Part-time Govt. of India Nominee from Ministry of Home Affairs on the Board of SPMCIL w.e.f. 03.07.2018.



Shri Arun K. Chatterjee,

Director (Nominee, Ministry
of External Affairs)

Shri Arun Kumar Chatterjee has been appointed as Customer Nominee Director by Ministry of External Affairs and acting as part-time Director on the Board of SPMCIL w.e.f. 1st June 2016.

Born on 17th December 1965, Shri Chatterjee holds Master's Degree in Commerce and is a Graduate from the Institute of Cost Accountants of India. He served as Junior Manager in Durgapur Steel Plant, Steel Authority of India Limited from 1989 to 1992. He joined Indian Foreign Service in 1992.

Presently, he is serving as Joint Secretary (Passport Seva Project) & Chief Passport Officer in the Ministry of External Affairs, Government of India. Earlier, he has served as Counsellor in Embassy of India, Seoul, Republic of Korea from February 2006 to July, 2007 First Secretary / Counsellor in Permanent Mission of India (PMI), Geneva from December 2002 to December 2005 and Third / Second Secretary in Embassy of India, Almaty, Kazakhstan from May, 1994 to September 1998. In the Ministry of External Affairs, he has worked as Under Secretary / Deputy Secretary (East Europe), Director (Finance), Director / Joint Secretary (CNV & I) and Chief Vigilance Officer.



Shri Ajay Michyari,

Director (Nominee, Reserve Bank of India)



Shri Ajay Michyari is Chief General Manager, Department of Currency Management, Reserve Bank of India (RBI). Before this assignment, he was Regional Director of Bhopal. He has also served as Banking Lokpal/Chief General Manager in the State of Madhya Pradesh & Chhattisgarh. He completed his schooling from Bishop Westcott Boys' School, Ranchi and graduated from St. Xaviers College, Ranchi.

He joined the Reserve Bank of India (RBI) in the year 1991 as a Grade 'B' officer. He has worked in the Regional Offices at Kolkata and Patna in various capacities in the areas of payment & settlement systems and supervision of banks. He also served as General Manager in the Department of Currency Management at Central Office in Mumbai for five years before moving out to head the Belapur Regional Office in 2013. Recently, he was a part of an IMF mission to Bhutan on Currency Issues.

He has been an additional director in the RBL Bank Limited (erstwhile Ratnakar Bank Ltd.). He has also been a RBI Nominee Director on the Board of State Bank of Hyderabad. He has been appointed as RBI Nominee Director and acting as part-time Director on the Board of SPMCIL w.e.f. 21st March 2018.

Dr. Amarpreet Duggal,

Director (Nominee, Department of Posts)



Dr. Amarpreet Duggal is an officer of the 1999 batch of the Indian Postal Service. She has served in the Department of Posts in various capacities in the field as well as at the Postal Headquarters at Dak Bhavan. In the field, she worked as Senior Superintendent Post Offices, Shimla Division; Senior Superintendent Post Offices, Chandigarh Division; Director Postal Services, Gurugram and Director Mails and Speed Post, Delhi Circle. In the Headquarters, she served as Assistant Director General, Philately; Assistant Director General, International Relations and Addl. GM Marketing, Business Development. As part of her assignments, Dr. Duggal has travelled widely across the world and interacted closely with the Universal Postal Union, Berne, Switzerland.

From 2011 to 2018, Dr. Duggal served on Central Deputation as Deputy Secretary/Director in Department of Personnel and Training, Director in the Cabinet Secretariat, Rashtrapati Bhawan and as Chief Vigilance Officer, Prasar Bharati. Currently, she is working as Deputy Director General, Philately at the Postal Headquarters. The postal sector is going through a phase of profound transformation across the world owing to advances in technology and ever changing customer expectations. India Post is also making continual endeavours to respond to these changes in the global environment by wholeheartedly embracing technology and innovation. In view of these factors and as part of her current assignment, Dr. Duggal is spearheading the movement to rekindle the interest of the youth in philately by focusing on promotion of philately at the grassroots i.e. among school students and by introducing innovative postage stamps.

Dr. Amarpreet Duggal, Deputy Director General (Philately), Department of Posts has been appointed as a Customer Nominee Director from the Department of Posts and acting as a part-time Director on the Board of SPMCIL w.e.f. 25th August 2018.



Shri P. J. Mathew,

Independent Director

Mr. P. J. Mathew, after obtaining his masters in Business Administration (MBA) from Bangalore University, joined the Indian Audit and Accounts Service (I.A.&A.S) in 1983. In a career spanning more than three decades, he has worked in various capacities in his parent department as well as with the Govt of India on deputation. He has wide-ranging experience in the areas of Financial Management, Auditing and General Administration in addition to exposure to Space, Port and Power sectors.

Some of the senior positions held by him are Accountant General, Kerala during 2001-03 and Accountant General, Andhra Pradesh during 2007-09. Thereafter, he was posted as Principal Accountant General, Karnataka. He also had a posting in the office of the CAG of India, New Delhi as Principal Director (Staff) during 2003-05. Mr. Mathew was Joint Secretary to Govt. of India in the Department of Space/ ISRO for five years from 2009.

His assignments abroad include a posting as Minister (Audit) in the Embassy of India, Washington D.C during 2005-07. His office was entrusted with the audit of all Indian Missions located in USA, Canada, Central and South American countries.

Mr. Mathew's UN assignments comprises of audit of the Office of the Human Resources Management (OHRM) of UN Head Quarters, New York in 1997 and audit of the Procurement division of the UN HQ NY in 1998. During 2002, he was the team leader for the Audit of FAO Regional office in Chile and country offices in Peru and Columbia. He was Board Member (Finance) in the Kerala State Electricity Board during 1999-2001. He has also worked in the Port sector as Financial Advisor & CAO of Cochin Port during 1992-95. Mr. Mathew retired in September 2014 as Director General of Audit.

Currently he is Independent Director in L&T Special Steels and Heavy Forgings Private Limited (LTSSHF), Mumbai. He was also Independent Director on the Board of Gujarat Urja Vikas Nigam Limited (GUVNL), Vadodara from 08th May, 2015 to 31st May 2017. Mr. Mathew is a Permanent Trustee of GRATE Bangalore which is a nonprofit organization working in the areas of good governance and anti-corruption. He is also a member in the Audit Advisory Boards of the Principal Accountant General, Karnataka and the Principal Director of Audit (Central Revenues) Bangalore. Mr. Mathew has been appointed as Independent Director on the Board of SPMCIL w.e.f. 16th February 2017.

Directors' Report

A close-up photograph of a fountain pen with a silver-colored barrel and a black grip section, lying diagonally across a document. The document has some faint, illegible text. The entire image is covered with a semi-transparent blue overlay.



DIRECTORS' REPORT

TO THE MEMBERS,

I, on the behalf of Board of Directors of SPMCIL am pleased to report another year of good performance with sales and earnings growth and continued returns to shareholders in line with expectations and achievements and highlights of your Company during the financial year ended 31st March 2019 and its Audited Financial Statements with the Auditor's Report and Comments on the Accounts by the Comptroller and Auditor General (CAG) of India and reply of the management thereto.

As a company which is manufacturer of instruments of faith, SPMCIL is inspired by its vision to serve national priorities of producing state-of-the-art security products leveraging core competency and building design capabilities. With the commitment to aid the nation by manufacturing world class and highly secured bank notes, coins and security documents, SPMCIL has almost 100 years of security printing experience and over two centuries of experience in the field of minting.

PHYSICAL PERFORMANCE

Despite the challenges of the business and its surrounding environment, your Company has registered yet another year of strong performance and has achieved the targets in the production of Bank Notes, Security Paper, Passports, Security Inks and other Security Products during the year 2018-19. While achieving the production targets, the Company has also increased productivity per employee considerably.

Backed by passionate and zealous workforce, your Company has prospered in following manner:

▪ Bank Notes

Your Company has produced 10482.34 million pieces of the Bank Notes and supplied 10306.10 million pieces of Bank Notes to Reserve Bank of India (RBI) during the year 2018-19. This is 13.70% higher than the production of 9219 million pieces of the Bank Notes during the last year i.e. 2017-18. Production of the Bank Notes per employee has increased to 3.29 million pieces in 2018-19

as against 2.72 million pieces achieved during the year 2017-18.

▪ Circulating Coins

Your Company has produced 5331 million pieces of the Circulating Coins and supplied 6132.53 million pieces of the Circulating Coins during the year 2018-19. This is 20.47% lower than the production of 6703 million pieces of Circulating Coins achieved during the year 2017-18. Production of Coins per Employee has also decreased to 2.24 million pieces in 2018-19 as against 2.55 million pieces achieved in 2017-18. The decrease in the production/productivity of Circulating Coins in the year 2018-19 is due to huge reduction in the indent of Circulating Coins by RBI during the year 2018-19.

▪ Security Paper

Your Company has produced 6003 Metric Ton (MT) Security Paper and supplied 6837 MT of Security Paper to the printing presses during the year 2018-19. This is 3.88% higher than the production of 5779 MT of Security Paper during the year 2017-18. Production of Security Paper per Employee has increased to 5.68 MT in 2018-19 as against 5.16 MT achieved during the previous year.

▪ Security Inks

Your Company has produced 752 Metric Ton (MT) of Security Inks in 2018-19 at Ink Factory, Dewas. This production includes the complete requirement of all four SPMCIL presses and the excess ink was supplied to the currency presses of Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL) at Mysuru and Salboni.

FINANCIAL RESULTS

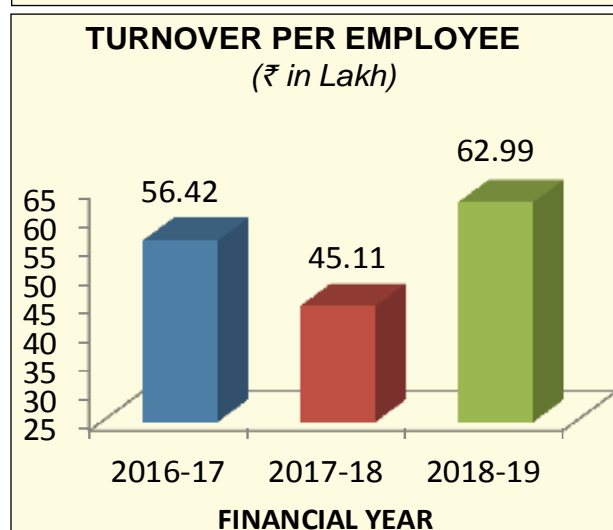
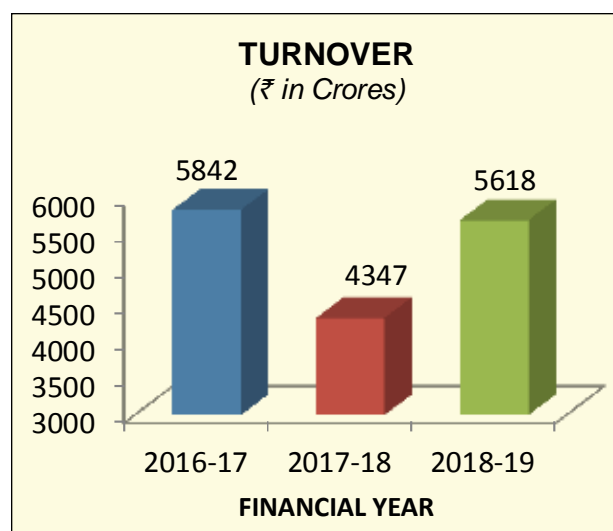
The Financial Statements of your Company for the year 2018-19 along with the comparative Financial Statements of 2017-18 have been prepared in accordance with Ind AS. During the year 2018-19, the Sales Turnover of your Company is ₹5617.58



crores as compared to ₹4347.29 crores during the last year 2017-18 showing the increase of 29.22% over the previous year. The Sales per Employee during 2018-19 has increased by 39.64% to ₹62.99 lakh from ₹45.11 lakh during the year 2017-18. The Revenue from Operations of your Company increased to ₹5711.34 crores in 2018-19 from ₹4402.30 crores during the previous year 2017-18. Despite the reduction in the sale of coins in the year 2018-19, the Sales Turnover has increased due to increase in sales of Banknotes and change in product mix i.e. increase in the sales of other security products manufactured by ISP, Nashik and SPP, Hyderabad.

Profit before Tax (PBT) from continuing operations for the year 2018-19 is ₹815.18 crores as compared to ₹570.61 crores for the year 2017-18. The company has achieved a Total Comprehensive Income (TCI) of ₹531.61 crores in the year 2018-19 as compared to a TCI of ₹652.03 crores in the year 2017-18. The consolidated TCI has decreased to ₹620.48 crores in the year 2018-19 i.e. after taking into account the 50% share of Joint Venture Company, Bank Note Paper Mill India Pvt. Ltd (BNPMIPL) as compared to the Consolidated TCI of ₹767.90 crores in the year 2017-18.

The CAC Department of Ministry of Finance has approved the selling rates of Bank Notes for the years 2011-12 to 2014-15. A demand has been raised on RBI for an amount of ₹126.70 crore being difference of selling price. Though as per the accounting policy of the company as stated in its financials, the revenue for difference of selling rates shall be accounted for in the year of approval. The company has not recognized the revenue of ₹126.70 crore in its books of accounts for the year 2018-19 since RBI, Central Board vide letter dated 16.07.2019, has decided not to pay the rates of Bank Notes approved by Ministry of Finance.



The summary of audited financial results of the Company on standalone basis for the financial year 2018-19 vis-à-vis 2017-18 is given hereunder:

(₹ in Lakh)

PARTICULARS	F.Y. 2018-19	F.Y. 2017-18
Revenue from Operations	5,71,134	4,40,230
Add: Other Income	11,388	19,674
Total Income	5,82,522	4,59,904
Less : Total Expenses	5,01,004	4,02,843
Profit Before Tax (PBT)	81,518	57,061
Less : Taxation	28,731	(4,910)
Profit for the Year	52,787	61,971
Add : Other Comprehensive Income	374	3,232
Total Comprehensive Income	53,161	65,203
Reserves & Surplus	3,30,532	3,02,144
Net Worth	4,36,956	4,08,568
Borrowings	-	-
Final Dividend	21,848	20,487

MOU PERFORMANCE

Your Company has been granted the 'Good' rating by the Department of Public Enterprises (DPE) for its MoU for the year 2017-18. For the year 2018-19, the self-evaluation report of MoU duly approved by Board and Administrative Ministry shall be sent to DPE. The Company is poised to achieve the 'Excellent' rating for MoU 2018-19.

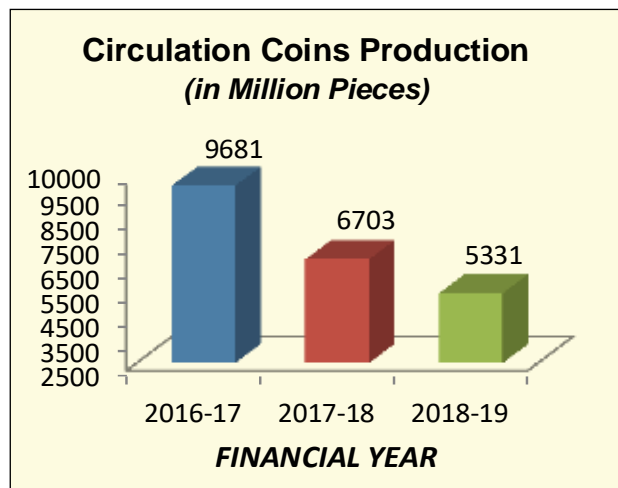
ACTIVITIES AT A GLANCE

Your company is functioning through nine units of five production verticals i.e. India Government Mints, Currency Printing Presses, Ink Factory, Security Printing Presses and Security Paper Mill. A brief introduction of SPMCIL production network along with review of operational activities during the year 2018-19 is as follows:

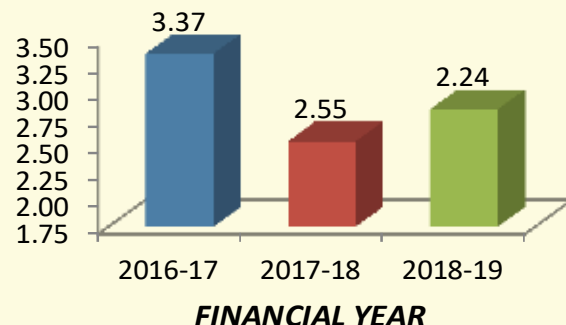
1. MINTS

Your Company's four Mints are positioned at Mumbai, Hyderabad, Kolkata and Noida.

During the year 2018-19, the four mints have produced 5331 million pieces of Circulating Coins as against 6703 million pieces produced during the year 2017-18. The production per employee during the year 2018-19 has decreased to 2.24 million pieces from 2.55 million pieces during the year 2017-18. During the year 2018-19, the Mints have also produced 2443 million pieces coin blanks as against 3892 million pieces produced during the year 2017-18.



Circulation Coins Productivity per Employee (in Million Pieces)



During the year 2018-19, IGM, Noida has produced 1446 million pieces of circulating coins as against 2405 million pieces produced in the year 2017-18. IGM, Mumbai has produced 1306 million pieces of circulating coins in the year 2018-19 as against 1630 million pieces produced in the year 2017-18. IGM, Hyderabad has produced 1139 million pieces of circulating coins in the year 2018-19 as against 1349 million pieces produced in the year 2017-18. IGM, Kolkata has produced 1440 million pieces of circulating coins in the year 2018-19 as against 1319 million pieces produced in the year 2017-18.

CERTIFIED REFERENCE MATERIAL FOR GOLD (Bhartiya Nirdeshak Dravya, BND 4201)

- IGM, Mumbai is doing integral activity of gold melting and processing along with having a fully equipped Assay Department. During the Gold Control Act, Mumbai Mint was the only authorized unit to process Gold in any form other than Jewellery. Bhartiya Nirdeshak Dravya (BND) 4201 is a Gold certified reference material of 9999 fineness. IGM, Mumbai has developed this CRM (BND) with research and development inputs from Bhabha Atomic Research Centre (BARC) and CSIR- National Physical Laboratory (NPL). In

India, this is the first time that CRM for Gold has been manufactured indigenously under the Make-in-India initiative. BND is traceable to SI (Système International d'Unités) units of National Physical Laboratory (NPL).



- Gold CRM helps to develop accurate methods of analysis using different scientific analytical instruments like XRF, ICP-OES, Spark-OES. It is used to calibrate measurement systems of primary methods like Fire Assay (cupellation) used to facilitate exchange of Gold materials of different derivatives like Jewellery, Bullion and artefacts. It helps in establishing quality control, determine performance characteristics or measure a property accurately. It helps to ensure the long-term adequacy and integrity of measurement quality assurance system.
- IGM, Mumbai has obtained the NABL accreditation certificate for Fire Assay of Gold and Assaying of Silver. IGM, Mumbai and IGM, Kolkata have also obtained BIS Licence to use the standard mark for Gold Coins. IGM, Mumbai has the facility of gold refining and can process gold upto a fineness of 999.99g/kg. Apart from the above, IGM, Mumbai was entrusted with the job of manufacturing Indian Gold Coins under Gold Monetisation Scheme of Government of India with high quality standard and stringent security features.

COMMEMORATIVE COINS

During the year 2018-19, the following commemorative coins have been released:

- ❖ **125th Birth Anniversary of Prof. P.C. Mahalanobis**



IGM, Kolkata has manufactured the Commemorative Coin of ₹125 QA and ₹5 NB on 125th Birth Anniversary of

Prof. P.C. Mahalanobis which was released by the Hon'ble Vice President of India, Shri M. Venkaiah Naidu at the closing ceremony of 125th Birth Anniversary of Prof. P.C. Mahalanobis and the 12th Statistical Day celebration in Kolkata on 29th June 2018. The Union Minister for Statistics and Programme Implementation, Shri D.V. Sadananda Gowda and other dignitaries were also present during the ceremony.

❖ **Birth Anniversary of Shri Atal Bihari Vajpayee**

IGM, Mumbai has manufactured the Commemorative Coin of ₹100 QA in the honour of former Prime Minister, Bharat Ratna



Shri Atal Bihari Vajpayee which was released by Hon'ble Prime Minister, Shri Narendra Modi on the eve of Shri Atal Bihari Vajpayee's 94th birth anniversary.

❖ **200th Anniversary of Paika Rebellion**



IGM, Mumbai has manufactured the Commemorative Coin of ₹200 QA on 200th Anniversary of Paika Rebellion which was released by Hon'ble Prime Minister, Shri Narendra Modi on 24th December 2018 at IIT, Bhubaneswar campus. The Paika Rebellion (Paika Bidroha) was fought against the British

rule in Odisha in 1817.

❖ **75th Anniversary of First Flag Hoisting by Netaji Subhash Chandra Bose**



IGM, Mumbai has manufactured the Commemorative Coin of ₹75 QA on 75th Anniversary of First Flag Hoisting by Netaji Subhash Chandra Bose which was released by Hon'ble Prime Minister, Shri Narendra Modi on 31st December 2018 at Port Blair.

❖ **350 Years of Shri Guru Gobind Singh Ji**



IGM, Mumbai has manufactured the Commemorative Coin of ₹350 QA on 350 Years of Shri Guru Gobind Singh Ji which was released by Hon'ble Prime Minister, Shri Narendra Modi on 13th January 2019 at New Delhi.

❖ **Dr. M.G. Ramachandra Centenary**





IGM, Mumbai has manufactured the Commemorative Coin of ₹100 QA and ₹5 NB on 102nd birth anniversary of late Tamil Nadu Chief Minister and AIADMK founder Dr. M.G Ramachandran which was released by the Chief Minister, Shri K. Palaniswami and Deputy Chief Minister, Shri O. Panneerselvam at a function in Tamil Nadu on 17th January 2019.

❖ Jallianwala Bagh Massacre



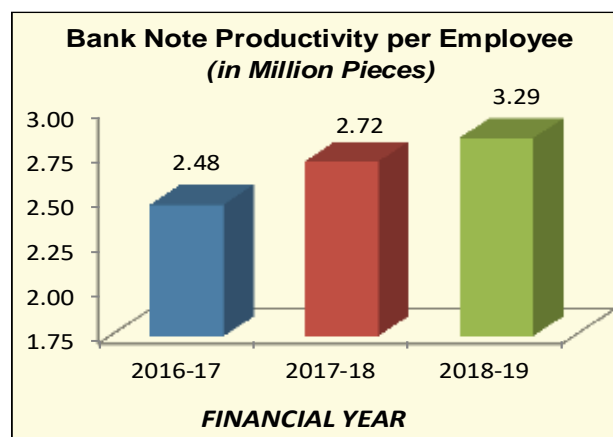
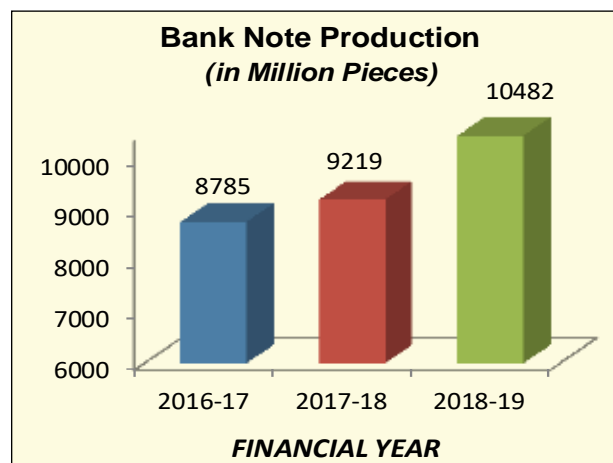
IGM, Kolkata has manufactured the Commemorative Coin of ₹100 QA on martyrs of Jallianwala Bagh Massacre which was released by the Hon'ble Vice President of India, Shri M. Venkaiah Naidu while paying homage to martyrs of Jallianwala Bagh massacre on the centenary of the gruesome incident at the Jallianwala Bagh Memorial in Amritsar on 13th April 2019.

2. CURRENCY NOTE PRESSES

There are two Currency Printing Presses i.e. Currency Note Press (CNP), Nashik and Bank Note Press (BNP), Dewas. CNP, Nashik has produced 6044 million pieces of Bank Notes in the year 2018-19 as against 5486 million pieces produced in the year 2017-18. CNP, Nashik has supplied 5906 million pieces of banknotes to RBI during the year 2018-19 as against 5024 million pieces of Bank Notes supplied during the last financial year, 2017-18. BNP, Dewas has produced 4438 million pieces of Bank Notes in 2018-19 as against 3733

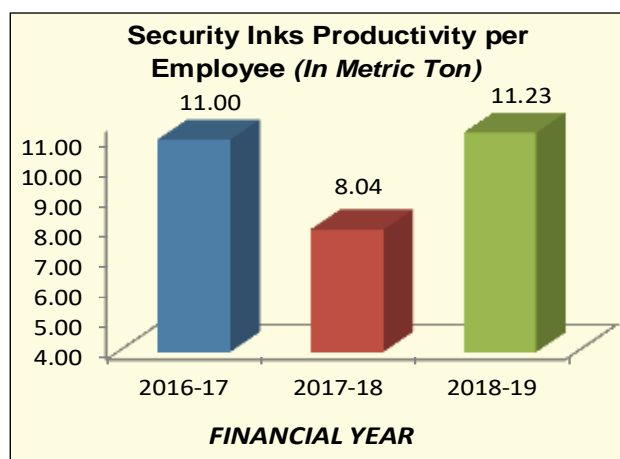
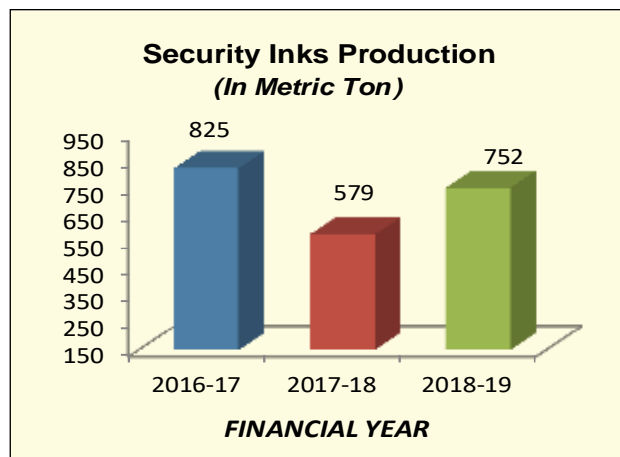
million pieces in the previous year 2017-18. BNP, Dewas has supplied 4400 million pieces of Bank Notes to RBI during the year 2018-19 as against 3570 million pieces of Bank Notes supplied during the last financial year, 2017-18.

BNP, Dewas has acquired certificate in Integrated Management System (IMS) consisting of Quality Management System and Environmental Management System (ISO 9001:2015 and ISO 14001:2015) through BIS for the first time.



3. INK FACTORY AT DEWAS

Ink Factory is manufacturing Offset Ink, UV Ink and Quickset Intaglio Ink. During the year 2018-19, Ink Factory has manufactured 752 MT of Inks as against 579 MT of inks produced during the previous year 2017-18.



4. SECURITY PRINTING PRESSES

There are two Security Presses, i.e. India Security Press (ISP), Nashik and Security Printing Press (SPP), Hyderabad. These Security Printing Presses are involved in the printing of various security products like Passport booklets, International Visa Stickers, Non-Judicial Stamp Papers (NJSPs), Postal Stamps & Stationery, MICR Cheques, Excise Labels, Certificates and other security documents.

During the year 2018-19, your company has printed 14.11 million pieces of travel documents/ passport booklets as against 11.61 million pieces in the previous year. The increase in the production of travel documents/passports is due to increase in indent from Ministry of External Affairs. During the

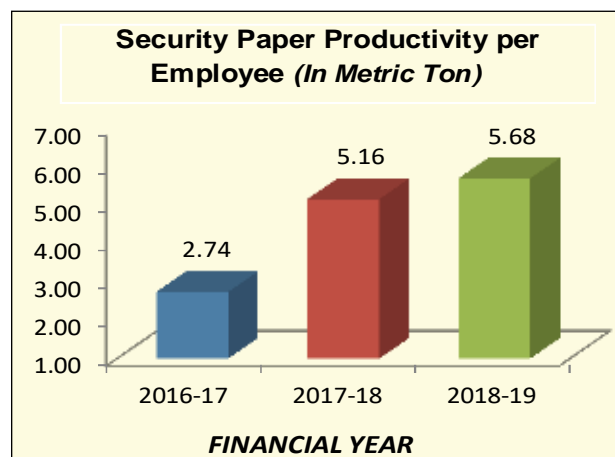
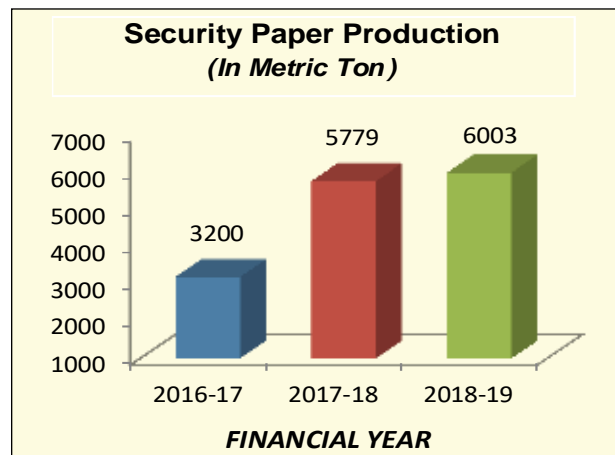
year 2018-19, your Company has printed 317.90 million pieces of NJSPs as against 259.05 million pieces printed during the year 2017-18.

5. SECURITY PAPER MILL

(a) Security Paper Mill, Hoshangabad

Security Paper Mill (SPM), Hoshangabad is manufacturing different types of Security Papers. Security Paper manufactured by this unit is used for printing of Bank Notes and other security documents by the Printing Presses of the Company.

During the year 2018-19, your company has produced 6003 MT of Security Paper and supplied 6837 MT Security Paper to the presses. This is 3.87% higher than the production of 5779 MT of Security Paper during the year 2017-18.





(b) Bank Note Paper Mill India Private Limited (BNPMIPL)

SPMCIL has setup a 50:50 Joint Venture in October, 2010 with Bhartiya Reserve Bank Note Mudran Pvt. Ltd. (BRBNMPL) in the name of Bank Note Paper Mill India Private Limited (BNPMIPL), a Green-Field project for manufacturing of CWBN Paper with a total capacity of 12000 MT per annum consisting of two state of the art technology paper lines of capacity of 6000 MT each per annum. The JV Company, BNPMIPL has produced 15163 MT of Security Paper during the year 2018-19.

MODERNISATION AND CAPACITY AUGMENTATION

The details of the modernisation and capacity augmentation initiatives of the Company are as under:

CURRENCY PRESSES

- CNP, Nashik has installed / commissioned Nickel Bath machine to increase capacity and quality of plate making. It has also installed Chrome Bath machine which has increased the capacity and quality of chromium coating of intaglio plates.



Chrome Bath Machine at CNP, Nashik

- CNP, Nashik has also installed and commissioned an Intaglio Plate Making

System by Laser Engraving Technology (CTiP). After installation of CTiP, CNP is empowered to engrave & prepare Intaglio printing plates of its own. CNP was entrusted with the task to prepare and supply intaglio plates of ₹500 denomination first time incorporating signature of Shri Shaktikant Das, New RBI Governor on CTiP System. Accordingly CNP has successfully prepared Nickel matrix and supplied Nickel Alto for ₹500 denomination to all four Bank Note presses i.e. two of SPMCIL and two of BRBNMPL.



Cylindrical Grinding Machine at BNP, Dewas

- BNP, Dewas has installed one Cylindrical Grinding Machine and after its installation and commissioning, BNP is able to achieve grinding accuracy of ± 5 micron. This has helped BNP to produce intaglio plates with high precision and accuracy resulting in improvement in quality of banknotes.
- The two numbers of Heavy Duty High Torque Butterfly Mixer were installed and commissioned in New Ink Factory at BNP, Dewas which functions automatically. RPM & temperature is controlled with three dimensional mixing of components. These are state-of-the-art mixtures specifically recommended for very high viscous inks like quickset and dry offset inks used for security printing and unique in Indian Ink Industry.



Heavy Duty High Torque Butterfly Mixer at BNP, Dewas

- Up-gradation of Ink feeding system in Intaglio Machine:** The standard ink feeding system fitted in intaglio machines are designed for 20 Kgs. drums (one drum for use of 1-2 times) and the pump was costing around ₹60 lacs/pump (imported). Ink Factory has made in-house changes in standard configuration and used pump costing ₹6 lacs/pump (Made in India) which is using 200 Kgs. capacity drum (reusable). Now, the drum cost has reduced up to 50% i.e. ₹5/- kg of Ink from earlier ₹10/- kg and the reuse of pump will further save the cost.
- In-house modification in Swiss made Intaglio Machines for CSI Ink saving:** BNP, Dewas has undertaken project to reduce the consumption of CSI ink on Intaglio machines. The mode of application of CSI was changed from direct to indirect application by doing necessary modification/change in the two intaglio machines. This has resulted in substantial saving of CSI @ 0.5kg/million pieces of Bank Notes. This has also resulted in considerable energy saving in AC Plant as CSI can be applied at higher duct temperature i.e. 16-18°C as compared to previous process of direct application of 10°C. Total annual saving after modification on these two machines will be around ₹10 crores.

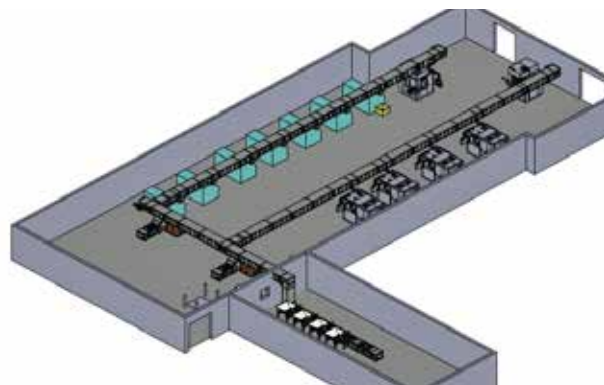
MINTS

- IGM, Mumbai has installed the state-of-the-art Flameless Tunnel Furnace for producing Bullion Bars as per LBMA Goods Delivery System of 400 Oz with fineness 995 to 9999 and with almost zero loss. This furnace was officially dedicated to the Nation by Shri Prashant Goyal, Joint Secretary (C&C), DEA, Ministry of Finance on 15th February 2019. There is no precious metal loss in casting process in this furnace. The production rate is higher than old casting process. There is a significant reduction in electrical consumption due to considerable reduction in radiant and convection heat losses.



State-of-art Flameless Tunnel Furnace at IGM, Mumbai

- IGM, Mumbai has installed and commissioned schematic layout of feeding system for automatic simultaneous feeding of different denomination of blanks to Coining Presses. This is a major step for material handling automation in coin production.



Schematic layout of the Feeding System



- IGM, Mumbai has finalized the tender for introducing Productivity Measurement Analysis & Statistical System (PMAS) for Coining presses. This system will be integrated with SAP and Production Analysis will be available in Excel / Graphical formats and transferred or uploaded into our SAP (ERP) system also so that the online data may be reviewed anytime/anywhere. This would be the first time any Mint in India will have automated supervisory control system in coin production.
- IGM, Mumbai has finalised the order for design, manufacture, supply, installation and commissioning of Surface Polishing Machine for raw minting dies (ready for embossing). This would provide better polish on the die surface to give better lustre on the stamped coin and also improve the die life.
- IGM, Hyderabad has installed Optical Emission Spectrometer for chemical element analysis of metals, alloys etc. Full height turnstile gates linked with biometric access and attendance management system have also been installed at entry/exit points of IGM, Hyderabad.



Biometric Attendance Management System at IGM, Hyderabad

- IGM, Hyderabad has also done the overhauling/ reconditioning of Proditec Machine. After overhauling of Proditec Machine, the blank sorting speed and its accuracy level has increased resulting into reduction in breakdown of coining presses.
- IGM, Noida has installed CNC Grinding

Machine which has improved the product quality and production rate. Further, the possibility of human errors in tool changing and other works have been eliminated by adopting computer programme. IGM, Noida has also done up-gradation of DC to AC drive in 3 coining presses which has reduced the maintenance cost substantially. IGM, Noida has also upgraded two Bosch Counting & Packaging machines to improve the packaging of coins as per the requirement of RBI.

- SPP, Hyderabad has done retrofitting of Online VDP on APFM / Rotatek / Grapha. The products requiring digital numbering can be printed on line with this equipment/ technology.
- ISP, Nashik has installed indigenous OMRON make PLC system as part of Make in India initiative. Further, a new Page Scanner System has been installed and commissioned on Collation & Stitching machine in APMS Section to check the required orientation of passport booklet pages on all the eight feeders.

HUMAN RESOURCE MANAGEMENT

Your Company believes that its people are its greatest asset and the organizational excellence is attributed to People factor. In order to achieve the overall business goals efforts are being made to align the Human Resource Strategy with the overall business strategy. All initiatives of Human Resource Management are directed towards achieving an employee-oriented productive workplace in which employees are effectively engaged.

Implementation of 3rd Pay Revision in IDA Pattern of Pay scales:

3rd IDA pay revision was implemented vide Office Order dated 4th May 2018 for Board level and below board level executives and non-unionised supervisors in SPMCIL w.e.f. 1st January 2017 after consideration of Board of Directors and approval by the Administrative Ministry.

- **HR Audit**

Management Development Institute (MDI) Gurugram was engaged to conduct HR Audit of SPMCIL. HR Audit of SPMCIL was conducted with the objective of assessing all existing HR policies, procedures, documentation, systems and practices in terms of their implementation and effectiveness and for suggesting measures and corrective steps to rectify the shortcomings, if any. HR Audit of SPMCIL covered the various systems and sub-systems of Human Resource Management. Action has been initiated on implementation of the recommendations which will help to improve the HR functions of the organisation.

- **Learning and Development**

Training Plan, Module and Calendar was introduced for the first time accommodating all training requirements of the employees.

SPMCIL is committed to a culture of continual learning and development process among employees. In order to put in place a proper mechanism, the Training Plan, Module and Training Calendar for Mints, Currency Presses and Security Presses were notified in February 2019 for implementation w.e.f. 1st April 2019 onwards. The Training Plan is to be implemented at various levels starting from Induction level to Technical Training followed by Refresher Training.

- **In-house Training Programs for Executives:**

An in-house orientation training program was conducted at R&D Centre, Nashik for 20 Executives of E1/E2 level from 18th to 23rd June 2018. In this training, almost every area of SPMCIL was covered so that an executive from any vertical (Technical/ Finance/HR, etc.) could have been benefitted by knowing about the basic concepts of other verticals, SPMCIL business and overall about the Organization. SPMCIL's Senior Executives

were selected as Faculty to share their experience and in depth knowledge with the executives. Few lectures from outside faculty were also arranged.



Dignitaries addressing the audience during Orientation Training Program at R&D Centre, Nashik

Training Program on Contract Management was conducted at R&D Centre, Nashik for 30 Executives from all the Units of SPMCIL from 27th to 31st August 2018.



Group Photograph of participants in Training Program on Contract Management at R&D Centre, Nashik

Training Program on Recruitment, Reservation, Rosters and CDA Rules was also conducted in house at Hyderabad for the HR Executives of SPMCIL from 29th to 31st January 2019.



Group Photograph of participants in Training Program on Recruitment, Reservation, Roster & CDA Rules at Hyderabad



- **In house training Programs for Non-Executives:**

In all the Units of SPMCIL various in house Training programs have been conducted for the Workers and Supervisors on regular basis on various topics like Machine Maintenance, Safety etc.



Group Photograph of participants in Training Program on Stress Management at JIM, Noida

- ◆ **Harmonious Employee relations**

The Industrial relations were cordial and peaceful throughout the year and no loss of man-days was reported. As per policy two Apex Bipartite Forum Meetings between the Management and Union representatives were held in the year 2018-19 at Mumbai in the month of May and at Nashik in the month of December to discuss various issues related to employees/production.

- **Connecting with Employees**

Sports Events: In order to create good relations and better coordination amongst units and to keep the employees of all the units motivated, an inter-Unit football tournament was organised at ISP, Nashik from 10th to 13th December 2018 wherein all Units participated with full zeal and zest.



Participating Teams in Inter-Unit Football Tournament at ISP, Nashik

- **Celebration of International Women's Day:**

The International Women's day was celebrated on 8th March 2019 with great fervour at the Corporate Office and across the Units of the Company acknowledging the contribution of Women employees at Work.



International Women's Day Celebration at SPMCIL Corporate Office

- **Celebration of Foundation Day**

SPMCIL celebrated its 13th Foundation Day on 10th February 2019. The then Hon'ble Union Minister of Railways, Coal, Finance and Corporate Affairs, Shri Piyush Goyal graced the event as the Chief Guest. The outstanding contribution of the Individual employees and the collective efforts of the Units in various areas for the year 2017-18 was given due recognition on this day by felicitating them.



Celebration of SPMCIL's 13th Foundation Day on 10th February 2019

- **Welfare Measures**

SPMCIL Compassionate Appointment Scheme has been amended and the process of making appointments on compassionate grounds restricted to 5% of direct recruitment vacancies has been decentralized and is to be done by Units, to enable clearance of pending cases.



Corporate Interaction with SC/ST/OBC representatives of SPMCIL followed by one day training Program was held at IGM, Kolkata from 12th to 13th October 2018. The first day provided a forum to the representatives to put forth their concerns and suggestions for the welfare and development of SC/ST and OBC employees in the Units and the Company as a whole. On the second day, a training Program on the theme "Developing Competencies in Manufacturing Environment" was organized by National Productivity Council.

- **Implementation of Child Care Leave Policy**

The Board of Directors in its 86th Meeting held on 18th March 2019 has approved implementation of Child Care Leave Policy to the employees of SPMCIL as a measure of Employee Welfare and Women Empowerment. Accordingly, the same has been implemented in SPMCIL w.e.f. 29th March 2019.

- **Online HRMS**

Online Human Resource Management System (HRMS) provides the benefits of Information and Technology in order to manage Human Information in a robust way. There are a set of automated process that are easily scalable to match the fast paced HR operations to smoothen the work flow. With the implementation of Project PAARDAKSH in the year 2013-14, ESS portal was created and some modules of HR were implemented in SAP. In the year 2018-19, your company has further implemented several other HR modules in Online Mode as listed below:-

- Online Leave Application
- E-separation i.e. Online Exit Management
- Online training module for maintenance of Online Training data
- e-recruitment

- **Representation of Priority Section**

Your Company has been complying with the Presidential Directives and other instructions/guidelines issued from time to time pertaining

to Policies and Procedures of Government of India with regard to reservation, relaxations, concessions etc. for Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs) and Persons with Disabilities (PWDs) in Direct Recruitment. Recently, as notified by the Govt. of India, the guidelines pertaining to EWS Category have also been notified across the Company for implementation. Details with regard to group-wise total number of employees and the representation of Scheduled Castes, Scheduled Tribes and Other Backward Classes amongst them in your Company as on 31st March 2019 have been given at **Annexure-I** to this report.

IMPLEMENTATION OF OFFICIAL LANGUAGE

During the year 2018-19, Official Language Policy, Act, Rules etc. were fully complied with in the Corporate Office and in all the nine Units of the Company. All the documents required to be issued under Section 3(3) of Official Language Act, 1963 were issued in bilingual form invariably.

Quarterly meetings of the Official Language Implementation Committee are held regularly in the Corporate Office. Unicode has been activated on computers to facilitate work in Hindi in Corporate Office. Unicode specific workshops were conducted regularly to train the officers and employees to work in Hindi easily.

In addition to this, following important jobs were carried out in the area of Official Language in the Company:-

Official Language Inspection

- During the year 2018-19, inspections were also carried out by the Corporate Office in three units i.e. IGM, Noida on 19th September 2018 SPP, Hyderabad on 13th November 2018 and IGM, Hyderabad on 14th November 2018.
- Verification of IGM, Noida regarding quarterly progress report was carried out by Department of Official Language, Ministry of Home Affairs on 16th October 2018 and inspection by the IIIrd Sub-Committee on the Parliamentary

Committee on Official language was done on 5th March 2019.

Official Language Training and Conference

- One day Hindi Training and Conference in respect of Officers and translators of Official Language Department of Corporate Office and all the Units was held on 15th November 2018 at IGM, Hyderabad.
- One day joint Hindi Workshop was also conducted to create conducive environment for creating interest in Hindi and to increase the interest towards official language amongst officers and employees of all the Units on 16th November 2018 at India Government Mint, Hyderabad.
- 14 officers were trained in Parangat Syllabus of Hindi at SPP, Hyderabad.

Hindi Week

Hindi Week was celebrated in the Corporate Office from 5th September 2018 to 10th September 2018 and prize distribution ceremony was organized on Hindi Day i.e. 14th September 2018. Total five competitions were held during the week and participants were awarded with cash prizes. Hindi Week/Day was celebrated in all the Units.



Celebration of Hindi Week at SPMCIL Corporate Office

Exhibition

- Corporate Office participated in the exhibition related to Official Language organized by the Town Official Language Committee, Delhi (Undertaking-2) on 18th May 2018 and the Corporate Office was honoured with IInd Prize.



Participation of SPMCIL Corporate Office in Official Language Exhibition on 18th May 2018

Digital Board

- In order to propagate the use of Hindi in Corporate Office & Units, digital boards have been installed and new word and thought are being displayed daily.

Check Points and Incentive Schemes

- For the purpose of smooth use and implementation of official language in Units and Corporate Office, check points have been made and incentive schemes have been implemented for the awareness of official language.

VIGILANCE ACTIVITIES

The Vigilance department has adopted multi-pronged approach including preventive, participatory and wherever required, punitive vigilance to prevent corrupt practices and improve work culture through systemic improvement. Among various tasks accomplished by Vigilance department in discharge of its duties, Preventive Vigilance has been given primary importance. Annual Physical Verification of security items in the Units by Vigilance Department is an important work, besides CTE type inspections which are being conducted regularly. Efforts are there for expeditious processing and disposal of Complaints in a time bound and effective manner. While emphasizing the importance of preventive vigilance and systemic improvement, wherever required, punitive action has been recommended against those found indulged in wrongful practices. Various initiatives have been made to undertake effective Vigilance work and these are summarized below.



▪ **Impact/Achievement of Vigilance functions:**

- i) There has been tremendous improvement in implementation of rules, procedures and guidelines relating to procurement, tendering and in other areas of day-to-day activities across all the units. Further, Vigilance Department has compiled and circulated various circulars to all the units for further improvement. As a part of system improvement, eleven new circulars were issued by the Vigilance Department during the year 2018-19.
- ii) There has been improvement in leveraging of information technology by uploading of tenders and post award details on websites, increasing e-payment and facility of registering complaints online.
- iii) Vigilance officials posted in units have been directed to make surprise checks on the quality of the raw material to confirm whether the material is as per tender specifications.
- iv) Due to efforts of Vigilance Department, e-payments have increased in all the units up to around 96.38% on an average.

- **Dissemination of information pertaining to important CVC guidelines:** In order to ensure the implementation of the laid down systems & procedures and greater transparency in award of contracts, the Vigilance Department collects monthly information on various tenders/procurement related matters i.e. negotiations with L-1 bidders, uploading of tenders in downloadable form on websites, information where samples are called along with tenders, publishing of post award details on websites, implementation of e-payments, status of receipt of complaints in Corporate Office and in units etc.

- **Integrity Pact:** Initiative has been taken for adoption of Integrity Pact (IP) in major Procurement activities in SPMCIL. The names of Independent External Monitors (IEM's) for SPMCIL have been approved by the Central Vigilance Commission. IP has been introduced in SPMCIL for all tenders above a threshold value of ₹20 crores.

- **Training programs:** Various training programmers were organized for capacity building and strengthening of the officers of vigilance department. The details are given below:

- i) Training on 'Capacity Building & Enhancing CTE Skills' was conducted at Corporate Office on 27th December 2018 wherein Shri Tarun Mittal, TE, CVC was invited as Guest lecturer to address the officials of Vigilance Department from all the nine units and Corporate Office on subject of CTE examination.
- ii) Training on 'How to conduct a CTE' for all the Vigilance officials was conducted on 18th February 2019 at Data Centre, Noida
- iii) SAP Training on MIS Report for all the Vigilance officials was conducted on 18th February 2018 at Data Centre, Noida

The following sensitization programs were organized at Police Academy for awareness of security features in currency and other security documents:

- i) A sensitization program on Security features in currency & coins and security documents like passport, VISA, Non-judicial Stamp Papers and other documents was conducted by CVO, SPMCIL at Haryana Police Academy, Madhuban, Karnal on 24th December 2018.
- ii) A sensitization program on Security features in currency & security documents like Non-judicial Stamp Papers, VISA, Travel document etc. was conducted by CVO, SPMCIL at UP dial 100, Lucknow on 15th March 2019.

- **Conduct of CTE type inspections by CVO:** Eleven CTE type inspections were conducted in line with CVC directives during the year. Based on the observations of the CTE type inspection reports, certain recoveries were made and few guidelines were also issued for future compliance to remove deficiencies noticed in the system. Further, advisories were issued to two executives based on the observations of CTE Type Inspection.



- Activities during Vigilance Awareness Week (VAW):** The Vigilance Awareness Week (VAW) was observed during 29th October 2018 to 3rd November 2018 highlighting the main focus of the week viz. 'Eradicate Corruption – Build a New India'. Various programs like Poster Competitions, Slogan Writing Competition, Debate Competition, Competitions in Schools/ Colleges, Vendors/Suppliers Meet, Speeches by eminent personalities, gram sabhas, cyclotron, walkathon etc. were organized in the Corporate Office and across all the nine units of SPMCIL during the Week. Further, a Compendium of Vigilance Circulars (Vol. 2.0, 2010-2018) and Vol.-IV of Satarkvani, an annual magazine of Vigilance Department of SPMCIL was released by Ms. Tripti P. Ghosh, CMD, SPMCIL along with Ms. Mamta Singh, CVO, SPMCIL.



Release of Compendium of Vigilance Circulars by CMD, SPMCIL along with CVO, SPMCIL

During the Vigilance Awareness Week, a sensitization program was organized at IGM, Mumbai wherein Shri S.P. Gautam, TE, CVC was invited as Guest lecturer to address the executives of Purchase, Finance and Technical Departments from all the nine units of SPMCIL on important subject of Preventive Vigilance in Procurement and other related issues. Further, a Workshop on Do's & Don'ts in handling various processes like procurements, recruitments and other important matters, based upon case studies of the cases investigated by Vigilance Department was conducted by CVO, SPMCIL at IGM, Mumbai.



Lecture by Shri S.P. Gautam TE, CVC at IGM, Mumbai during VAW 2018

The sensitization programs in the form of debates, slogan writing competition, painting competitions etc. were organized in various schools, colleges, etc. to acquaint the students with importance of Vigilance and their role and contribution in Preventive Vigilance. In compliance of directions of CVC, integrity pledge was also administered to those students as well as employees of SPMCIL, vendors, workers etc. during Vigilance Awareness Week.

The glimpses of various activities and presentations during the week were uploaded on the website of the Company, www.spmcil.com along with publication in the Compendium and Satarkvani.



Pledge Ceremony during VAW 2018



Poster competition at P & T Sr. Secondary School, New Delhi, during VAW 2018



- **Work relating to the Annual Physical Verification (APV) of stocks:** During the year 2018-19, 12 APVs were held in the units of SPMCIL. Based on the observations of the APV reports, advisories were issued to an executive and three supervisors.
- **Sensitive posts, Agreed list and list of officers of Doubtful Integrity:** In compliance of the Instructions of CVC, the sensitive posts in the company have been identified and informed to CVC. Further, the officers on sensitive list are being transferred periodically. Preparation of Agreed list and the list of officers of Doubtful Integrity were complied with intimation to the Central Vigilance Commission.
- **Annual Property Returns:** As a surveillance measure, Annual Property Returns (APRs) of the officials were subject to scrutiny and clarifications were sought wherever necessary.
- **Disposal of Complaints:** The number of complaints pending from last financial year was 42. During the period, 139 new complaints have been received in the Vigilance Department and out of total complaints, 140 complaints have been disposed off/closed and remaining 41 complaints are in process and under various stages of investigation.
- **Review of Performance:** Performance of Vigilance Department was reviewed regularly by the CMD & Board of Directors of SPMCIL in addition to constant reviews undertaken by the CVO, SPMCIL as per prescribed norms.

ERP BASED INTEGRATED INFORMATION SYSTEM

SAP ERP Project Paardaksh – Towards stabilization & Process Improvement

Various systematic efforts are being made in the areas of maintaining & sustaining, process improvements and empowering SPMCIL's core

group of end users. During the year, efforts were made for development of utility products departmentally. The following major activities were done by IT department:

- a. Integration of 3rd pay revision in SAP-ERP HR module has been done successfully incorporating the necessary up-gradation and implementation of allowances.
- b. Vendor and Customer aging reports configured in SAP/ERP for payment/receipt tracking and also automatic payment program for timely payment to vendors.
- c. GST Tax Slab rates and TDS on GST Tax rates have been incorporated successfully.
- d. Employee self-service module configured so that employees can see miscellaneous payments/reimbursements and also automate various processes.
- e. Training in various SAP/ERP modules conducted at units to acquaint the users with latest updates.

SWACHHATA PAKHWADA

Swachhata Pakhwada was started in April 2016 with the objective of bringing a fortnight of intense focus on the issues and practices of cleanliness. SPMCIL celebrated the 'Swachhata Pakhwada' in accordance with the initiatives of Government of India and organised the cleanliness drive in all Units of the Company. A Swachhata Pledge was taken by all the employees of SPMCIL during the Swachhata Pakhwada. Accordingly, the Company initiated necessary action to sensitize its employees across all the units about cleanliness and sanitation. The programme has improved hygienic conditions of living of the employees in the Factory/Office premises. Several competitions were organised by the Units and Corporate Office of the Company on Swachhata Pakhwada.



A GLIMPSE OF ACTIVITIES DURING SWACHHATA PAKHWADA





EVENTS

➤ Visit of Officials of Royal Mint, UK to IGM, Mumbai

Mr. Simon Lake, Director of Sales & Mr. Paul Morgan, Technical Director from Royal Mint, UK visited IGM Mumbai on 13th November 2018. A brief presentation on the functioning of IGM, Mumbai was given to them in the presence of Director (Technical) and Director (Finance) of the Company and General Manager of IGM, Mumbai followed by a factory visit of the guests and discussions to explore the possibilities of joint business opportunities in the National and International markets.



Visit of Officials of Royal Mint, UK to IGM Mumbai

➤ Visit of Officials of Paris Mint to IGM, Mumbai

Mr. Max Rossigneux, Purchasing Director from Paris Mint visited IGM Mumbai on 4th December 2018. The functioning of IGM, Mumbai was briefed to him in the presence of Director (Technical) of the Company and General Manager of IGM, Mumbai followed by a factory visit of the guests and discussions

to explore the possibilities of joint business opportunities in the National and International markets.



Visit of Officials of Paris Mint to IGM, Mumbai

- Shri Subhash Chandra Garg, the then Secretary, Department of Economic Affairs, Ministry of Finance visited CNP, Nashik on 8th August 2018 and inaugurated the Intaglio Plate Making System by Laser Engraving Technology (CTiP).



Shri Subhash Chandra Garg, the then Secretary, DEA, Ministry of Finance inaugurating the Intaglio Plate Making System by Laser Engraving Technology at CNP, Nashik

- Shri Subhash Chandra Garg, the then Secretary, Department of Economic Affairs, Ministry of Finance visited BNP, Dewas on 15th March 2019 and inaugurated the new Ink Factory at BNP, Dewas.



Inauguration of New Ink Factory at BNP, Dewas by Shri Subhash Chandra Garg, the then Secretary, DEA, Ministry of Finance

- Independence Day and Republic Day were celebrated with high enthusiasm across all the units of the Company. On these occasions, various programme viz. Flag hoisting, CISF Drill, Drawing and Essay Writing Competitions for Children etc. were organised by the Units.



Independence Day and Republic Day Celebrations at the Units

- 13th Anniversary of SPMCIL Foundation Day was celebrated on 10th February 2019. The Chief Guest of the programme was Shri Piyush Goyal, the then Hon'ble Union Minister of Railways, Coal, Finance and Corporate Affairs and Guest of Honour was Shri Subhash

Chandra Garg, the then Secretary Department of Economic Affairs, Ministry of Finance.

- Individual awards were presented to 27 Employees for excellent performance during the year 2017-18. Units were awarded with trophies for their remarkable performance in various categories during the year 2017-18 i.e. for Productivity to Currency Note Press, Nashik, for Safety & Environment to India Govt. Mint, Hyderabad, for Energy Conservation to India Govt. Mint, Mumbai, for Learning & Development to Security Printing Press, Hyderabad, for Vigilance to Security Paper Mill, Hoshangabad and for Official Language to India Govt. Mint, Noida. CMD Cup for overall best performance was given to Currency Note Press, Nashik.



Ms. Anila Agarwal, Dy. Manager, (F&A) receiving award for excellent performance for the year 2017-18 from Hon'ble Minister



Group Photograph of awardees during 13th Foundation Day

- Pravasi Bharatiya Divas (PBD) is an important platform for the Government's engagement with the overseas Indian community and recognition of their contribution to the development of India. An Exhibition, titled "Ancient India : Modern India" was organised during PBD at Varanasi and SPMCIL had participated in the exhibition.



SPMCIL's participation in an Exhibition during PBD at Varanasi

- Your company has signed a growth oriented Memorandum of Understanding (MoU) with Department of Economic Affairs (DEA), Ministry of Finance for the year 2019-20. The MoU was exchanged between the then Secretary, Department of Economic Affairs, Ministry of Finance, Shri Subhash Chandra Garg and CMD, SPMCIL, Ms. Tripti P. Ghosh on 28th May 2019 at North Block, New Delhi. The MoU is based on the premise of growth in a globally competitive environment and incorporates various parameters and weightages for evaluation of performance with focus on Turnover, Operating Profit, Capacity Utilization, R&D, Innovation and Technology up-gradation including issues related to Human Resource Management (HRM), etc.



MoU Signing for the year 2019-20 between SPMCIL and Department of Economic Affairs, Ministry of Finance

AWARDS

- ◆ SPMCIL has been awarded by Quality

Council of India D.L. Shah Gold Award for its participation with successful project namely "India's first home grown Gold Certified Reference Material (CRM)". The General Manager, IGM, Mumbai with his team had received Award at Second Regional Quality Conclave held on 12th February 2019.



General Manager IGM, Mumbai receiving D.L. Shah Gold Award

- ◆ SPMCIL has achieved 'Excellent' Grading on Compliance of Guidelines on Corporate Governance issued by DPE for the year 2017-18.
- ◆ IGM, Noida was honoured with 3rd Prize in series of Undertakings of PSUs located in northern region by the then Hon'ble Minister of State for Home Affairs, Shri Kiran Rijju on 19th November 2018.



Shri Naresh Kumar, Officer (OL), IGM, Noida receiving 3rd Prize for excellent implementation of Official Language in series of Undertakings of PSUs located in Northern Region from Shri Kiran Rijju the then Hon'ble Minister of State for Home Affairs

- ◆ India Government Mint, Kolkata was honoured with consolation prize for the best performance in official language works for the year 2018-19 by NARAKAS, Kolkata.



Dr. Punam Chaturvedi, Dy. Manager (OL), IGM, Kolkata receiving consolation prize for official language works for the year 2017-18 by TOLIC, Kolkata.

SECURITY AND SAFETY

Your Company recognizes and accepts its responsibility for establishing and maintaining a secured working environment for all its installations, employees and associates. This is being taken care of by deploying CISF at all units of your Company as per norms of Ministry of Home Affairs. Concrete steps are being taken for upgrading surveillance systems at all units by installing state-of-the-art security systems.

Occupational health and safety at workplace is one of the prime concerns of Company Management and utmost importance is given to provide safe working environment and to inculcate safety awareness among the employees. Safety issues are discussed in the highest forum of management like Risk Management Committee (RMC), Corporate Risk Committee (CRC), etc. Regular plant inspection and review by Head of unit is being done. Internal safety audits by safety officers and external safety audits by reputed organizations as per statutory requirement are carried out for each unit. Recommendations of auditors are regularly reviewed and complied with. Adequate numbers of qualified safety officers are posted at all units as per statutory rules/provisions to look after safety of men & materials. For strict compliance & enforcement of safety norms and practices by the contractors, safety clauses are included in General Conditions of Contract.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE AND WOMEN EMPOWERMENT

Your Company is committed to prevention of

sexual harassment of women at workplace and takes prompt action in the event of reporting of such incidents. In this regard, internal complaints committees have been constituted at Corporate Office and Units of the Company to deal with sexual harassment complaints, if any, and conduct enquiries. During the year 2018-19, no complaint of sexual harassment has been received.

DIVIDEND

As per Clause 5.2 of Office Memorandum No. 5th February, 2016-Policy dated 27th May 2016 of Department of Investment & Public Asset Management (DIPAM) on the subject of Guidelines on Capital Restructuring of CPSEs, every CPSE would pay a minimum annual dividend of 30% of Profit after Tax or 5% of the Net worth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions.

In view of above, the Board of Directors has recommended a Final Dividend @ 5% of the Net-worth of the Company for the year 2018-19 aggregating to ₹218.48 crores plus applicable Dividend Distribution Tax. This final dividend for the financial year 2018-19 shall be paid by the Company after approval of shareholders in the forthcoming 14th Annual General Meeting of the Company.

REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, R&D AND FOREIGN EXCHANGE EARNINGS

In accordance with the provisions of the Companies Act, 2013 and rules framed thereunder, particulars relating to Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo (on accrual basis) are given at **Annexure-II** to the report.

BOARD OF DIRECTORS

Being a Government Company, the power of appointment of Directors on the Board of the Company is vested with the President of India acting through the Ministry of Finance, Government of India. The remuneration of Directors and employees of the Company is fixed as per extant guidelines issued by Department of Public Enterprises (DPE), from time to time. Further, the part-time Non-Official Independent Directors are paid sitting



fees, as decided by the Board of Directors from time to time within the limits prescribed under the Companies Act, 2013 for attending the meetings of Board of Directors and Committees thereof. As per the norms of Government of India, the Government Nominee Director is not entitled to receive any remuneration/sitting fee from the Company. The details of remuneration/sitting fees paid to the Directors are given in the Corporate Governance Report annexed to this report.

During the year 2018-19, Ms. Tripti P. Ghosh assumed the charge as Chairman and Managing Director (CMD) of the Company with effect from 1st May 2018 in place of Shri S. Selvakumar, the then Joint Secretary (BC), DEA, Ministry of Finance who was relieved from the additional charge of the post of CMD, SPMCIL. Shri Prashant Goyal, Joint Secretary (C&C), DEA, Ministry of Finance was appointed as part-time Government Nominee Director on the Board of the Company w.e.f. 2nd May 2018 in place of Shri Anurag Agarwal, former Joint Secretary (C&C), DEA, Ministry of Finance.

Further, Shri S.C.L. Das, Joint Secretary (IS-I), Ministry of Home Affairs (MHA) had been appointed as part-time Government Nominee Director on the Board of the Company w.e.f. 3rd July 2018 in place of the then Joint Secretary (P-I), MHA, Shri Kumar Alok. Dr. Amarpreet Duggal, Dy. Director General, Philately was appointed as End-User Representative Director from Department of Posts on the Board of the Company w.e.f. 25th August 2018 in place of Shri Niraj Kumar, the then Dy. Director General (Philately), Department of Posts.

In line with the statutory requirements, the Independent Directors had given the requisite declaration that they meet the criteria of independence and none of the Directors are related inter-se. Further, the Ministry of Corporate Affairs has exempted the Government Companies from the requirement of obtaining approval of shareholders for appointment of Whole-time Director(s) and Independent Director(s) vide Notifications dated 5th June 2016 and 5th July 2017 respectively. Accordingly, the appointment of

Functional Directors and Independent Director(s) on the Board of the Company is not required to be approved by the shareholders.

During the year, five meetings of the Board of Directors were held. The details of the meetings attended by each Director are provided in the Corporate Governance Report and are not repeated here to avoid duplication.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement referred to in clause (c) of sub-section (3), it is hereby confirmed:

- (a) that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (b) that the directors 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 as at 31st March 2019 and of profit and loss account for the year ended 31st March 2019;
- (c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the directors have prepared the Annual Accounts on a going concern basis; and
- (e) that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITOR & AUDITOR'S REPORTS

M/s. Ashwani & Associates, Chartered Accountants, New Delhi were appointed as Statutory Auditors of your company for the financial year 2018-19 by the Comptroller and Auditor General of India in



terms of Section 139 of the Companies Act, 2013. Further nine Branch Auditors were appointed/re-appointed by Comptroller and Auditor General of India for auditing the accounts of nine units of the Company for the financial year 2018-19. The Statutory Auditors have audited the annual accounts (standalone and consolidated) for the year ended 31st March 2019 and their reports are annexed to the respective annual accounts. The Management's replies to the observations/qualifications given in the Statutory Auditors' Reports are given at **Annexure-III**.

The Comptroller & Auditor General of India has carried out the Supplementary Audit of the aforesaid annual accounts of the Company under Section 143(6)(b) of the Companies Act, 2013 and comments/observations of the Comptroller & Auditor General of India on standalone as well as consolidated annual accounts of the Company for the year ended 31st March 2019 are given at **Annexure-IV & V** respectively. The Management's Replies to the aforesaid comments/observations of Comptroller & Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 are given at **Annexure-VI**.

COST AUDIT

As prescribed under the Companies (Cost Records and Audit) Rules, 2014, the Cost Accounting Records are being maintained by the units of the Company. Pursuant to the provisions of Section 148(3) of Companies Act, 2013, the Board of Directors of your Company had appointed M/s. R.M. Bansal & Co., Cost Accountants, Delhi as the Cost Auditors for the financial year 2018-19 to conduct the Cost Audit of products of your Company under the ambit of Cost Audit in accordance with the aforesaid rules and other relevant orders/clarification issued by Ministry of Corporate Affairs, Government of India and Cost Accounting Standards issued by the Institute of Cost Accountants of India, from time to time.

SECRETARIAL AUDIT REPORT

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

Rules, 2014 notified by the Ministry of Corporate Affairs, the Board of Directors of your Company had appointed M/s. Amit Agrawal & Associates, Practicing Company Secretaries, Delhi for conducting Secretarial Audit of the Company for the year 2018-19. The report, duly certified by a practising Company Secretary and reply to their observations are attached at **Annexure-VII** to this Report.

CODE OF CONDUCT

The Board of your Company has enunciated SPMCIL Code of Business Conduct & Ethics-2010 for the Directors and Senior Management personnel, which has been circulated to all concerned and has also been hosted on Company's website. The Directors and Senior Management personnel have affirmed compliance with the code of conduct for the year 2018-19.

RISK MANAGEMENT

As a diversified enterprise, your Company continues to focus on a system based approach to business risk management. Pursuant to CPSE Guidelines on Corporate Governance, the Risk Management Policy of your Company was approved by the Board which covers all the functions at Corporate Office and Manufacturing Divisions. Your Company has developed and rolled out a Comprehensive Enterprise wide Risk Management (ERM) throughout the organization. The policy will ensure sustainable business growth with stability and will promote proactive approach in identifying, evaluating, reporting and managing risk associated with business.

INTERNAL FINANCIAL CONTROLS

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of standalone financial statements. SPMCIL has adequate internal financial control system in place, in the form of documented policies & procedures that cover critical as well as important activities of financial and other operating functions. These internal financial control provide reasonable assurance regarding prevention or timely detection



of unauthorized acquisition, use or disposition of the company's asset that could have a material effect on standalone Ind AS financial statements. The Statutory Auditors are also required to issue the Independent Auditor's Report on the Internal Financial Controls of the Company under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013. The report issued thereon has been attached along with the Financial Statements. The Company continues its efforts to align all its processes and controls with global best practices.

PUBLIC PROCUREMENT POLICY FOR MICRO AND SMALL ENTERPRISES (MSEs) ORDER 2012

The Government of India has notified a Public Procurement Policy for Micro and Small Enterprises (MSEs). The policy targets 20% of procurement from MSEs with a sub target of 4% from MSEs owned by the Scheduled Caste or the Scheduled Tribe entrepreneurs for the Goods and Services rendered by such organizations. Your Company has taken necessary steps for implementation of the Public Procurement Policy of the Government of India for procurement from MSEs. All efforts are being made to procure items specified for procurement from MSEs. Necessary provision has been made in all the tenders stating the eligibility of MSEs to participate in the tender.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report forms part of this Directors' Report as per the requirements of Corporate Governance as stipulated in the Guidelines on Corporate Governance notified by the Department of Public Enterprises, Government of India in this regard. The Management Discussion and Analysis Report is enclosed as **Annexure-VIII** to this Report.

CORPORATE GOVERNANCE

Your company has taken structured initiatives towards Corporate Governance and its practices are valued by various stakeholders.

Your Company has been complying with the requirements of Corporate Governance as stipulated in the Guidelines on Corporate Governance notified by the Department of Public

Enterprises, Government of India in this regard. The Corporate Governance Report is enclosed as **Annexure-IX** to this Report. The Company has obtained a Certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance, which is attached to the Corporate Governance Report.

EXTRACT OF ANNUAL RETURN

As per the Companies (Amendment) Act, 2017, the requirement of attaching Form MGT-9 (Annual Return) with the Board's Report has been done away. The said Form MGT-9 (Annual Return) has been uploaded on SPMCIL's website: www.spmcil.com

STATUTORY DISCLOSURES

Your Directors have made necessary disclosures as required under the various provisions of the Companies Act, 2013

- (a) There was no change in the nature of business of the Company during the financial year 2018-19.
- (b) The Company has not accepted any public deposits during the financial year 2018-19.
- (c) No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- (d) The Company maintains an adequate system of Internal Controls including suitable monitoring procedures, which ensure accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory regulations and Company policies.
- (e) The Company has not made any loan, given guarantee or provided any security pursuant to the provisions of Section 186 of the Companies Act, 2013.
- (f) Since the provisions of Section 197 of the Companies Act, 2013 and Rules made thereunder, related to Managerial Remuneration, are not applicable to



Government Companies, no disclosure is required to be made.

- (g) Being a Government Company, SPMCIL is exempt from the statutory provisions relating to performance evaluation of Directors and disclosure in respect of evaluation mechanism in the Board's Report.
- (h) There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year i.e. 31st March 2019 and the date of this report.
- (i) The terms and conditions of the appointment of Functional Directors are subject to the applicable guidelines issued by Department of Public Enterprises, Government of India.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts or arrangements entered into by the Company with its related parties during the financial

year were in accordance with the provisions of Companies Act, 2013. Accordingly the particulars of contracts or arrangements entered into by the Company with its related parties are disclosed in Form AOC-2, annexed to this report at **Annexure-X**.

ACKNOWLEDGMENTS

The Board of Directors acknowledges with deep sense of appreciation the cooperation received from the Government of India, particularly the Ministry of Finance, Reserve Bank of India, Ministry of External Affairs, Department of Posts, Department of Public Enterprises, Ministry of Home Affairs, Ministry of Labour & Employment, Department of Pension and Family Welfare, various State Governments and also from the Banks. The Board of Directors acknowledge with thanks the constructive suggestions received from the Comptroller & Auditor General of India, Statutory Auditor, Secretarial Auditor and Cost Auditor. The Board of Directors also place on record its sincere appreciation for the devotion and commitment of all employees of the Company.

For and on behalf of the Board of Directors



(Tripti P. Ghosh)

Chairman and Managing Director

DIN : 08123112

Place : New Delhi

Date : 06th September 2019

ANNEXURE-I

SC/ST/OBC REPORT

Annual Statement showing the representation of SCs, STs and OBCs as on 31st March 2019 and number of appointments made during the year 2018-19

Name of Public Enterprises: **Security Printing and Minting Corporation of India Limited**

Groups	Representation of SCs/STs/OBCs (As on 31.03.2019)				Number of Appointments made during the Financial Year 2018-19									
					By Direct Recruitment				By Promotion			By other Methods (Internal Recruitment)		
	Total No. of Employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group 'A'	339	55	20	62	11	4	0	3	63	0	0	3	0	1
Group 'B'	1048	157	86	153	34	5	3	8	95	15	7	0	0	0
Group 'C'	7531	1488	664	941	13	1	1	2	1273	361	124	3	0	0
Total	8918	1700	770	1156	58	10	4	13	1431	376	131	6	0	1

PWD REPORT

Representation of P.W.D. as on 31st March 2019

Groups	Representation (As on 31.03.2019)				Number of Appointments made during the Financial Year 2018-19													
					Direct Recruitment							Promotion						
					No. of Vacancies reserved			No. of Appointments made				No. of Vacancies Reserved			No. of Appointments made			
	Total No. of Employees	V.H.	H.H.	O.H.	V.H.	H.H.	O.H.	Total	V.H.	H.H.	O.H.	V.H.	H.H.	O.H.	Total	V.H.	H.H.	O.H.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Group 'A'	339	0	1	3	0	0	1	11	0	0	1	0	0	0	0	0	0	0
Group 'B'	1048	1	0	12	0	0	2	0	0	0	0	0	0	0	50	0	0	1
Group 'C'	7531	26	58	144	7	0	9	0	0	0	0	0	0	0	679	1	0	3
Total	8918	27	59	159	7	0	12	11	0	0	1	0	0	0	729	1	0	4

- Note : (i) VH stands for Visually Handicapped (Persons suffering from blindness or low vision).
(ii) HH stands for Hearing Handicapped (Persons suffering from hearing impairment).
(iii) OH stands for Orthopaedically Handicapped (Persons suffering from locomotor disability or cerebral palsy).
(iv) PWD stands for Persons with Disability.



ANNEXURE-II

Report on Energy Conservation, Technology Absorption, R&D and Foreign Exchange Earnings and Outgo as per the provisions of the Companies Act, 2013 and Rules notified thereunder.

A) CONSERVATION OF ENERGY

As a part of continued efforts towards energy conservation, a number of Energy Conservation projects have been implemented during 2018-19 as follows:

- All units of your Company are using Solar Water Heater in Canteens and Guest Houses.
- The units of your Company have replaced / are in the process of replacing High Electrical power consuming light sources like HPSV/HPMV/Twin tube light fittings with Low electrical power consuming LED fittings being used for general lighting purpose on perimeter/inside perimeter along the road and also low voltage lamps incandescent lamps/twin tube light fittings are being used as and when required.

B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

With a view to improve the product pattern and product quality as well as to meet the environmental emission norms, your Company is taking measures to adopt most modern technologies in line with the latest developments worldwide.

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.

Technology absorption, adaptation and innovation would result in indigenisation, capacity enhancement and bring increased operational efficiency etc.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:

- | | |
|---|--------|
| (a) Technology imported | : N.A. |
| (b) Year of import | : N.A. |
| (c) Has technology been fully absorbed? | : N.A. |

C) RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which R&D carried out by the Company

During the year under review, the Company has taken-up R&D projects in the fields of security paper, security printing, currency printing and coin metallurgy. The Company has set-up R&D centres across all production verticals.

2. Benefits derived as a result of the above R&D

The Company would be able to produce critical raw materials indigenously and thus bring more indigenisation in its operations resulting into saving in Foreign Exchange and increase in local manufacturing of raw materials.



3. Future plan of action

To enhance content of indigenisation, increase in operational efficiencies, effective utilisation of available resources, process re-engineering etc.

4. Expenditure on R & D

During the financial year 2018-19 the Company has incurred ₹0.84 crores towards Research & Development.

D) FOREIGN EXCHANGE EARNING AND OUTGO

Sl. No.	Foreign Exchange Earnings/Outgo	2018-19 (₹ in Cr)	2017-18 (₹ in Cr)
1.	Foreign Exchange Earnings	-	-
2.	Foreign Exchange Outgo	359.58	479.80

For and on behalf of the Board of Directors



(Tripti P. Ghosh)

Chairman and Managing Director

DIN : 08123112

Place : New Delhi

Date : 06th September 2019



ANNEXURE-III

EXPLANATION TO COMMENTS/ QUALIFICATIONS IN REVISED STATUTORY AUDITOR'S REPORT DATED 30TH JULY 2019 ON STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2019

Other Matters

Sl. No.	Auditor's Observation	Management Reply
1.	<p>Currency Note Press (CNP), Nasik</p> <p>a) Non Agriculture Land- Taxes Payable:- The unit has not quantified and provided for Non-Agriculture Land- tax payable on Land for the financial year 2018-19 and earlier years.</p> <p>b) Insurance Policy:- The unit has not obtained transit insurance on dispatching bank notes to RBI. It is explained by management that dispatches are done under heavy security and therefore transit insurance is not considered.</p>	<p>CNP has not received any demand/Bill towards NA TAX till date and therefore the unit has not quantified the same in Financial Statement 2018-19.</p> <p>Since dispatch of bank notes is done under heavy security and therefore transit insurance is not considered. Still management is working on the matter of talking transit insurance keeping the cost factor of insurance into consideration.</p>
2.	<p>Security Printing Press (SPP), Hyderabad :</p> <p>It is observed that the Unit is making efforts to revise the existing BOM (Bill of Material) Standards which were established a very long time back by using figures obtained by averaging previous five years actual data.</p>	<p>The unit has revised the Bill of material standards by considering the consumption pattern of Raw-materials for last 3 years and accordingly the same was incorporated in SAP system.</p>
3.	<p>Security Paper Mill (SPM), Hoshangabad :</p> <p>The unit is recognizing revenue on "Budgeted Cost" as the unit earns revenue from the manufacturing & supply of security and currency paper mainly to presses of SPMCIL (BNP-Dewas, CNP-Nashik, ISP- Nashik and SPP-Hyderabad). Revenue from transfer sale of goods is recognised when all significant risk and rewards of ownership of goods have been passed to the buyer, usually on delivery of the goods. Revenue is measured at the budgeted cost of manufacturing.</p>	<p>Till FY 2018-19, SPM-Hoshangabad made Stock Transfers to other units at the Budgeted Cost pre-determined at the beginning of each year. This budgeted cost is worked out based on previous year's expenditure and budgeted production for ensuing year.</p> <p>However, w.e.f., FY 2019-20 (1st April 2019 onwards), SPM started working out actual cost based on expenditure up-to end of financial year and sale prices for ensuing year are fixed by adding appropriate margin with the approval of Competent Authority. Henceforth, for the purpose of determination of cost as well as sale prices, the same practice will prevail.</p>



Sl. No.	Auditor's Observation	Management Reply
4	<p>Corporate Office, Delhi</p> <p>According to Section 149, of Companies Act, 2013, a company must have a minimum two Independent Director. But according to explanation and information available the post of one Independent Director is vacant since 03.01.2018, which contravenes the provisions of Companies Act.</p>	<p>SPMCIL is a Government Company and as per the Articles of Association of the Company, the power to appoint Directors on the Board of the Company vests with the President of India acting through Ministry of Finance, Government of India. Consequent upon the resignation of Shri Upendra Tripathy, Independent Director w.e.f. 03.01.2018, the post of one Independent Director is vacant and the Ministry of Finance, Government of India has been requested to fill-up the said vacancy and the matter is under consideration of the Administrative Ministry.</p>

ANNEXURE I TO THE AUDITORS REPORT

BASIS OF QUALIFIED OPINION

Sl. No.	Qualified Opinion	Management Reply																												
1.	<p>Corporate Office, Delhi</p> <p>a) Amounts due / from to Ministry of Finance, Government of India:</p> <p>The following amounts representing dues from/ to Ministry of Finance (MoF) towards liability transferred to SPMCIL on account of Employee benefits need to be reconciled / confirmed:.</p> <table><tr><th>GL Code</th><th>Particulars</th><th>Outstanding since</th><th>Amount (₹ in lakh)</th></tr><tr><td colspan="4">Due to MoF</td></tr><tr><td>13500080</td><td>Other Non-Current Liabilities</td><td>31.03.2015</td><td>696.00</td></tr><tr><td colspan="4">Due from MoF</td></tr><tr><td>24500077</td><td>PAO / C&C, DEA, MoF, EPF</td><td>31.03.2012</td><td>901.98</td></tr><tr><td>24500078</td><td>PAO / C&C, DEA, MoF, GPF</td><td>31.03.2012</td><td>369.50</td></tr><tr><td>24500071</td><td>Other Receivables</td><td>31.03.2014</td><td>8.09</td></tr></table> <p>b) Out of the total amount of ₹56,961.60 lakh recoverable from MoF towards sale of goods, an amount of ₹1,745.43 lakh needs to be reconciled / confirmed.</p>	GL Code	Particulars	Outstanding since	Amount (₹ in lakh)	Due to MoF				13500080	Other Non-Current Liabilities	31.03.2015	696.00	Due from MoF				24500077	PAO / C&C, DEA, MoF, EPF	31.03.2012	901.98	24500078	PAO / C&C, DEA, MoF, GPF	31.03.2012	369.50	24500071	Other Receivables	31.03.2014	8.09	<p>Amount lying in these accounts represents the amount recoverable /payable to Ministry of Finance against the employee benefits for pre-incorporation period i.e prior to 10th February 2006 and for the period 10th February 2006 to 31st October 2008 i.e the period during which the employees were on deemed deputation to SPMCIL.</p> <p>Employees benefits prior to 10th February 2006 i.e date of incorporation were ecoverable from MoF whereas the employee benefits for the period 10th February 2006 to 31st October 2008 were payable to MoF as the Govt. Employees were on deemed deputation to SPMCIL.</p> <p>These accounts are being reconciled in consultation with Pay and Accounts office of the units under O/o Chief Controller of Accounts.</p> <p>Out of ₹1,745.43 Lakhs, amount of ₹895 Lakhs pertains to ₹1 Note which is recoverable from MoF. Balance amount of ₹851 Lakhs is being reconciled.</p>
GL Code	Particulars	Outstanding since	Amount (₹ in lakh)																											
Due to MoF																														
13500080	Other Non-Current Liabilities	31.03.2015	696.00																											
Due from MoF																														
24500077	PAO / C&C, DEA, MoF, EPF	31.03.2012	901.98																											
24500078	PAO / C&C, DEA, MoF, GPF	31.03.2012	369.50																											
24500071	Other Receivables	31.03.2014	8.09																											



Appendix IV(a) [Refer Clause 1(c) of the report issued under the Companies (Auditor's Report) Order 2016 report of even date to the members of Security Printing and Minting Corporation of India Ltd. for the year ended 31st March 2019]

Sl. No.	Auditor's Observation	Management Reply
a)	Corporate Office, New Delhi The Title Deed of Land at Jail Road, "CNP Nashik" amounting to Re. 1/- in the Books of Accounts, is not transferred in the name of the Company.	The process of registration has been completed.
b)	India Government Mint, Noida According to the information and explanation given to us following immovable properties have not yet been transferred in the name of the company. i. Plot No. 1, Sector -1, Pocket D2, Noida, U.P-201301 ii. Sector-27, Noida, U.P-201301	For Sector-1: The matter has been taken up with Principal Secretary (Industrial), UP Govt. as no satisfactory response was received from Noida authority officials after several attempts. For Sector-27: Matter is under process. The Noida Authority has raised a demand of ₹25,66,450/- for release rent (till 31.10.2018). A letter has been issued to the CEO & Financial Controller for its waiver. JS (C&C), DEA has issued a DO letter dated 21.01.2019 to The Chairman/CEO NOIDA Authority for expediting the transfer of property. Unit is following up the matter.
c)	Security Printing Press, Hyderabad The title deed of immovable properties are held in the name of Govt. of India and not yet registered in the name of SPMCIL	Since the Govt. of Telangana has not considered exemption from registration charges the Unit has asked for sanction ₹2,16,04,020/-. Corporate Office vide letter dated 10.01.2019 addressed the letters to the Chief Secretary, Telangana Secretariat and Spl. Chief Secretary Revenue and Registration & Stamps, Telangana Secretariat for exemption from payment of stamp duty and registration charges, as done by other State Govt. in similar case. Matter is also now being pursued with State authorities for mutation/ change of name in revenue records of the said land
d)	Security Paper Mill, Hoshangabad The title deeds of immovable properties are still held in the name of the Government of India and not yet registered in the name of the Company. Further, informed that the unit is in possession of approx., 345 acres of land out of which mutation of 230 acres of land in the name of MD, SPMCIL has been done in the Land Revenue records.	An area of 229.82 Acres has been transferred in the name of SPMCIL. For the remaining land transfer, D.O. letter has been issued by the JS (C&C) on 21.01.2019 with a request to Collector & District Magistrate, Hoshangabad, MP, for expediting the pending transfer of land. Unit is also pursuing the case and measurement of land has now been taken up by the Revenue Office.



Sl. No.	Auditor's Observation	Management Reply														
e)	<p>Currency Note Press, Nashik</p> <p>According to the information and explanations given to us, Proper title deeds of Land of Rs.17.03 lakhs and Building of ₹1691.31 lakhs in the name of the unit were not produced before us for our verification.</p>	The process of registration has been completed.														
f)	<p>India Government Mint, Mumbai</p> <p>The title deed of the following immovable properties are held in the name of Govt. of India and not yet registered in the name of SPMCIL.</p> <p>(i) CS No. 228 and 229, Fort, Mumbai, Maharashtra.</p> <p>(ii) CS No. 399, Tardeo, Mumbai, Maharashtra</p> <p>There are encroachments in the Parel Property as detailed below:</p> <p>(a) Behind building No.09, Parel Mint Colony, there is an encroached area named Sairam Adarsh Seva Mandal covering approximately 500 sq. meters.</p> <p>(b) The north corner of Mint Colony, approximately 1000 sq. meters, is encroached by the Ashram of Mahant Godavari Giriji and his followers.</p>	<p>Fort land transfer is in process at CSLR Office.</p> <p>Regular follow ups done by the Unit with CSLR Office for expediting.</p> <p>Regarding transfer of Prabhadevi flats (8 Nos.) and property at Tardeo a separate communication has been sent to Ministry on 15.05.2019.</p> <p>The of Board of Directors of the Company in its 80th meeting directed to remove the encroachment over the land at IGM, Mumbai by following due process of law. The matter is in process.</p>														
g)	<p>India Government Mint, Hyderabad</p> <table><tr><th>Sl. No.</th><th>Immovable Property</th><th>Location</th><th>Area (in acres)</th><th>Gross book Value as at 31st March, 2019</th><th>Net book value as at 31st March, 2019</th><th>Remarks</th></tr><tr><td>1.</td><td>Land</td><td>IDA Phase II, Cherlapally, Hyderabad, Telangana</td><td>78.82</td><td>343.79 Lakhs</td><td>343.79 Lakhs</td><td>Property is held in the name of the President of India</td></tr></table>	Sl. No.	Immovable Property	Location	Area (in acres)	Gross book Value as at 31 st March, 2019	Net book value as at 31 st March, 2019	Remarks	1.	Land	IDA Phase II, Cherlapally, Hyderabad, Telangana	78.82	343.79 Lakhs	343.79 Lakhs	Property is held in the name of the President of India	<p>Since the Govt. of Telangana has not considered exemption from registration charges, the Unit has asked for sanction of ₹30 Crore for both the properties located at Cherlapally & Old Mint at Saifabad.</p> <p>Corporate Office vide letter dated 10.01.2019 sent letters to the Chief Secretary, Telangana Secretariat and Spl. Chief Secretary Revenue and Registration & Stamps, Telangana Secretariat for exemption from payment of stamp duty and registration charges, as done by other State Govt. in similar case.</p> <p>Matter is also now being pursued with State authorities for mutation/ change of name in revenue records of the said land.</p>
Sl. No.	Immovable Property	Location	Area (in acres)	Gross book Value as at 31 st March, 2019	Net book value as at 31 st March, 2019	Remarks										
1.	Land	IDA Phase II, Cherlapally, Hyderabad, Telangana	78.82	343.79 Lakhs	343.79 Lakhs	Property is held in the name of the President of India										
h)	<p>India Government Mint, Kolkata</p> <table><tr><th>Sl. No.</th><th>Particulars of Property</th><th>Title deed in the name of</th></tr><tr><td>1.</td><td>Land (Lease Hold)</td><td>President of India</td></tr><tr><td>2.</td><td>Factory Building</td><td>President of India</td></tr></table>	Sl. No.	Particulars of Property	Title deed in the name of	1.	Land (Lease Hold)	President of India	2.	Factory Building	President of India	Unit has paid ₹66,49,278/- on 31.03.2019 as transfer fees upto 31.12.2018 and is also liaising with KoPT for registration of Transfer deed.					
Sl. No.	Particulars of Property	Title deed in the name of														
1.	Land (Lease Hold)	President of India														
2.	Factory Building	President of India														



ANNEXURE-V TO AUDITORS REPORT

Qualified Opinion :

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31 2019:

Sl. No.	Auditor's Observation	Management Reply
1.	Currency Note Press, Nashik - The unit did not have effective internal control in HR module of SAP. Management installed Biometric Attendance Management System during the year 2018-19 to record the attendance bio-metrically into SAP. However, it is observed that attendance and overtime working was not accounted automatically under SAP and was processed manually.	The company is in the process of linking the attendance of the employees, bio-metrically into SAP.
2.	India Government Mint, Noida - According to information and explanation provided to us, no risk mitigation committee was formed to identify the areas of risk, assessment of risk, formulate measures to control or reduce the risk and steps to have effective control.	The company has initiated steps and formed risk mitigation committee.
3.	Security Printing Press, Hyderabad- a) Upon test check it is revealed that the PO's qty can exceed 150% of the PR Qty (considering repeat order clause) and SAP is not restricted to the specified qty. b) Users within HR Department are authorized to edit/create the employee master in SAP on the basis of appointment letter/service book of the employee c) SPMCIL Portal for applying and approval of leaves is in place but it is not used by the employees for marking their leaves. Further, it is also not integrated with SAP. Leave are manually applied and approved. d) Attendance management software(AMS) and card swiping device is in place in the unit for recording attendance. Leave records are maintained manually in SAP. Salary of workmen is processed on the basis of manual attendance register and attendance management software is not integrated with SAP	<p>Currently there are No. PO's which exceed the 150% of PR quantity. (Including repeat orders and option clause). w.r.t. pending PR and PO – SPP, Hyderabad has reviewed and closed the same in SAP as on date of report.</p> <p>However issue will be taken up with the SAP-Consultant for feasibility for customization in SAP.</p> <p>The issue will be taken with the appropriate authority for implementation in SAP</p> <p>Mapping of recommending and approving authority in ESS (employee self-service) portal is completed.</p> <p>Presently AMS system is up to date. However, the process of linking the AMS system and SAP-HR is under review.</p>



Sl. No.	Auditor's Observation	Management Reply
4.	<p>Security Paper Mill, Hoshangabad-</p> <p>a) Unit is not having maker-checker concept while posting any entries in their SAP-ERP system and the entries are passed by single authorization only. Hence, there is possibility of mistakes/errors in financial statements which may remain undetected.</p> <p>b) Unit is not generating the debit notes issued to supplier for items returned/rejected/excess claim etc., through the SAP-ERP system and the same are generated manually. The respective invoices are recorded in SAP-ERP system not of such debit notes to give effect to the debit notes. Hence, the debit notes so issued are maintained out of the SAP-ERP System.</p>	The company is taking steps in consultation with the Information Technology department to make suitable improvements.
5.	<p>India Government Mint, Hyderabad - Finance Module of the ERP software allows the users of a profit center to pass manual entries affecting other profit centers, leading to unintended errors (tagging wrong profit centers). This indicates inappropriate assignment of user rights and controls in the ERP software.</p>	The company is taking steps in consultation with the Information Technology department to make suitable improvements.

For and on behalf of the Board of Directors



(Tripti P. Ghosh)

Chairman and Managing Director
DIN : 08123112

Place : New Delhi

Date : 06th September 2019



ANNEXURE-IV

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of the financial statements of Security Printing and Minting Corporation of India Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their revised Audit Report dated 30 July 2019 which supersedes their earlier audit report dated 19 June 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of the Security Printing and Minting Corporation of India Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. The Audit Report has been revised by the Statutory Auditor to give effect to three of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under section 143(6)(b) of the Act, which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

A. Comments on Profitability

A.1 Statement of Profit & Loss Account

A.1.1 Net Deferred Tax Asset (Net) as on 31.03.2018 - ₹873.14 crore

Profit for the year 31.03.2018 : ₹570.61 crore

- (i) Provision for non-moving inventory of ₹5.98 crore, Provision for Compensation in lieu of Compassionate appointments of ₹5.32 crore, Provision for ex-gratia & bonus ₹3.88 crore and Other employees benefits short term provisions of ₹32.38 crore was considered as timing difference items and Deferred Tax Assets (DTA) was created on aforesaid items during the previous financial year

2017-18. During the current financial year 2018-19, the company has not considered the said items as having timing difference and consequently the same were not considered for creation of DTA. However, DTA already created on these items during previous year has not been reversed. This has resulted in an accounting error pertaining to previous year 2017-18 which was required to be rectified in current financial year as per the stipulations of the Para No.42 of Ind AS-08 : Accounting Policies, Change in Accounting Estimates and Errors.

Thus, non-complying with the stipulations of the Ind AS-08 has resulted in overstatement of DTA as well as profit for the year 2017-18 by ₹16.46 crore¹.

- (ii) The Company while rectifying the error of Deferred Tax Asset (DTA) / Deferred Tax Liability (DTL) pertaining to the previous year i.e. 2017-18 has wrongly included the value of land of ₹4.76 crore (being non-depreciable asset) in the written down value of assets as per Income Tax Act which resulted in understatement of DTL for the year 2017-18. Consequently, this has also resulted in overstatement of DTA and Profit for the year 2017-18 by ₹1.64 crore².

A2. Inventories (Note No. 08) - ₹1588.33 crore

Profit for the year 31.03.2019 - ₹815.18 crore

Security paper Mill (SPM), Hoshangabad is supplying Currency papers, non-Judicial stamp papers, Blue Trial papers etc. to different units of SPMCIL after loading profit margin. Closing stock of Blue Trial Paper, lying at BNP Dewas (₹5.94 crore) and CNP Nashik (₹ 0.04 crore) includes profit margin of ₹5.59 crore (₹5.98 crore * 93.41%) which needs to be eliminated being inter unit sale.

Inclusion of profit margin in the closing stock has resulted in overstatement of the inventory as well as Profit for the year by ₹5.59 crore.

**For and on the behalf of the
Comptroller and Auditor General of India**

Sd/-

(Prachi Pandey)

**Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-II,**

New Delhi

Place: New Delhi

Date: 28.08.2019

1. ₹47.56 @ 34.61% i.e. effective rate of income tax.

2. ₹4.76 crore @ 34.61% i.e. effective rate of income tax.



ANNEXURE-V

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of consolidated financial statements of Security Printing and Minting Corporation of India Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with Section 129(4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their revised Audit Report dated 30 July 2019 which supersedes their earlier audit report dated 19 June 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of the Security Printing and Minting Corporation of India Limited for the year ended 31 March 2019 under section 143(6)(a) read with Section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Security Printing and Minting Corporation of India Limited (the Company) and Bank Note Paper Mill India Private Limited (Joint Venture). This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. The Audit Report has been revised by the Statutory Auditor to give effect to three of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under section 143(6)(b) read with Section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the consolidated financial statements and the related audit report:

Comments on Consolidated Profitability

A.1 Consolidated Statement of Profit & Loss Account Net Deferred Tax Asset (Net) as on 31.03.2018 - ₹873.14 crore

Profit for the year 31.03.2018 : ₹570.61 crore

- (i) Provision for non-moving inventory of ₹5.98 crore, Provision for Compensation in lieu of Compassionate appointments of ₹5.32 crore, Provision for ex-gratia & bonus ₹3.88 crore and Other employees benefits short term provisions of ₹32.38 crore was

considered as timing difference items and Deferred Tax Assets (DTA) was created on aforesaid items during the previous financial year 2017-18. During the current financial year 2018-19, the company has not considered the said items as having timing difference and consequently the same were not considered for creation of DTA. However, DTA already created on these items during previous year has not been reversed. This has resulted in an accounting error pertaining to previous year 2017-18 which was required to be rectified in current financial year as per the stipulations of the Para No.42 of IndAS-08 : Accounting Policies, Change in Accounting Estimates and Errors.

Thus, non-complying with the stipulations of the IndAS-08 has resulted in overstatement of DTA as well as profit for the year 2017-18 by ₹16.46¹ crore.

- (ii) The Company while rectifying the error of Deferred Tax Asset (DTA) / Deferred Tax Liability (DTL) pertaining to the previous year i.e. 2017-18 has wrongly included the value of land of ₹4.76 crore (being non-depreciable asset) in the written down value of assets as per Income Tax Act which resulted in understatement of DTL for the year 2017-18. Consequently, this has also resulted in overstatement of DTA and Profit for the year 2017-18 by ₹1.64 crore².

A2. Inventories (Note No. 08) - ₹1588.33 crore Consolidated Profit for the year 31.03.2019 - ₹815.18 crore

Security Paper Mill (SPM), Hoshangabad is supplying Currency papers, non-Judicial stamp papers, Blue Trial papers etc. to different units of SPMCIL after loading profit margin. Closing stock of Blue Trial Paper, lying at BNP Dewas (₹5.94 crore) and CNP Nashik (₹ 0.04 crore) includes profit margin of ₹5.59 crore (₹5.98 crore * 93.41%) which needs to be eliminated being inter unit sale.

Inclusion of profit margin in the closing stock has resulted in overstatement of the inventory as well as Profit for the year by ₹5.59 crore.

For and on the behalf of the
Comptroller and Auditor General of India

Sd/-
(Prachi Pandey)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-II,
New Delhi

Place: New Delhi
Date: 29.08.2019

1. ₹47.56 @ 34.61% i.e. effective rate of income tax.
2. ₹4.76 crore @ 34.61% i.e. effective rate of income tax.



ANNEXURE-VI

MANAGEMENT REPLIES TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS OF THE SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH, 2019

Para A.1.1(i) :

The comment relates to the Financial Year 2017-18. The point of audit is noted.

Para A.1.1(ii):

During the year 2018-19, while calculating the amount for deferred tax assets, the items which did not carry timing differences were sought to be removed. In doing so, CWIP as well as the cost of the land which was not submitted for depreciation were removed while calculating deferred tax liability.

Accordingly, for the corrections in the year 2017-18, the same action was taken considering the qualification of CAG on the accounts of the company for the year ended 31.3.2018. However due to over sight, although, the value of the land was deducted from the WDV of assets as per Companies Act the same amount which should have been deducted from total of WDV of assets as per Income Tax Act got omitted by mistake.

However, the error on account of deferred tax assets is not material.

Para A.2 :

Profit margin has been eliminated from the stock of CWBN paper & NJSP paper which are used for making currency notes and security products.

Blue trial paper, which is a waste paper is used only for the purpose of trial and ensuring that the production of currency is in order. Hence profit margin has not been eliminated in Blue Trial Paper.

The point of audit is noted.

For and on behalf of the Board of Directors



(Tripti P. Ghosh)

Chairman and Managing Director
DIN : 08123112

Place: New Delhi

Date: 06th September 2019



ANNEXURE-VII

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Security Printing and Minting Corporation of India Limited
16TH Floor, Jawahar Vyapar Bhawan,
Janpath, New Delhi-110001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Security Printing and Minting Corporation of India Limited** (hereinafter called the Company) having its registered office at 16TH Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi-110001, India. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **M/s. Security Printing and Minting Corporation of India Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Security Printing and Minting**

Corporation of India Limited for the financial year ended on **31st March 2019** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Secretarial Standards issued by The Institute of Company Secretaries of India.
- (iii) Other laws applicable specifically to the Company namely:
 - a) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
 - b) Payment of Gratuity Act, 1972
 - c) Payment of Wages Act, 1936
 - d) Payment of Minimum Wages Act, 1948
 - e) The Maternity Benefit Act, 1961
 - f) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act), 2013
 - g) Payment of Bonus Act, 1965
 - h) Employees' State Insurance Act, 1948
 - i) Factories Act, 1948
 - j) Contract Labour (Regulation and Abolition) Act, 1970
 - k) Industrial Dispute Act, 1947
 - l) Indian Trust Act, 1882 created for PF purposes for its employees.

Environmental Related

- m) The Water (Prevention & Control of Pollution) Act, 1974
- n) The Air (Prevention & Control of Pollution) Act, 1981



- o) The Explosive Act & Rule for storing fuel/ Petrol and Diesel for Generators.
- p) The Environmental Protection Act, 1986 read with various rules for handling Air, Solid, Liquid, Electronic Waste.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to our below observation:

The Board of Directors of the Company is not duly constituted with proper balance of Independent Directors.

However, During the period under review, provisions of the following regulations were not applicable to the Company because of clause (I) no FDI and ECB has been taken by the Company since incorporation and for (II)&(III) clauses below the Company is unlisted Company. Hence, comments are not required to be made in respect of these clauses:

- I. Foreign Exchange Management Act, 1999 and rules and regulation made there under to the extent Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- II. The Rules, Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
- III. The Listing Agreement with any Stock Exchange.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive

Directors, Non-Executive Directors and Women director except Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.

Majority decision is carried through while the dissenting members' views are captured and 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.

We further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit by other designated professional.

We further report that during the audit period there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company's affairs.

For Amit Agrawal & Associates
(Company Secretaries)

Sd/-

(CS Amit Agrawal)
(Proprietor)

Membership No.: F5311

Certificate of Practice No.: 3647

Date: 06.07.2019

Place: Delhi



To,
The Members,
Security Printing and Minting Corporation of India Limited
16TH Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi-110001

Dear Sir/Madam,

Our report in form no. MR-3 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

(CS Amit Agrawal)

Practicing Company Secretary

Membership No.: 5311

Certificate of Practice No.: 3647

Date: 06.07.2019

Place: Delhi



REPLY TO THE OBSERVATIONS OF SECRETARIAL AUDITORS

Sl.No.	Auditor's Observations	Company's Reply
01	The Board of Directors of the Company was not duly constituted with proper balance of Independent Directors.	SPMCIL is a Government Company and as per the Articles of Association of the Company, the power to appoint Directors on the Board of the Company vests with the President of India acting through Ministry of Finance, Government of India. The appointment of one Independent Director on the board of SPMCIL is under consideration of Ministry of Finance.

For and on behalf of the Board of Directors



(Tripti P. Ghosh)

Chairman and Managing Director

DIN : 08123112

Place : New Delhi

Date : 06th September 2019



ANNEXURE-VIII

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of Security Printing and Minting Corporation of India Limited (SPMCIL) presents its Analysis Report covering the performance and outlook of the Company as follows:

A. INDUSTRY STRUCTURE & DEVELOPMENTS

World Economic Environment

Global economic growth is projected to soften from a downwardly revised 3 percent in 2018 to 2.9 percent in 2019 amid rising downside risks to the outlook. International trade and manufacturing activity have softened, trade tensions remain elevated, and some large emerging markets have experienced substantial financial market pressures. Slowing external demand, rising borrowing costs, and persistent policy uncertainties are expected to weigh on the outlook for emerging market and developing economies. A number of developments could act as a further brake on activity. A sharper tightening in borrowing costs could depress capital inflows and lead to slower growth in many emerging market and developing economies. Past increases in public and private debt could heighten vulnerability to swings in financing conditions and market sentiment. Intensifying trade tensions could result in weaker global growth and disrupt globally interconnected value chains. As the outlook for the global economy has darkened, strengthening contingency planning, reducing tax and regulatory burdens, mobilizing domestic resources, strengthening debt and investment management practices, building more resilient macro-fiscal frameworks, facilitating trade and improving access to finance will be crucial to navigate current uncertainties and invigorate growth.

Indian Economic Environment

India in recent years has emerged as one of the most vibrant economies in the world. Not only India has survived many global shocks successfully

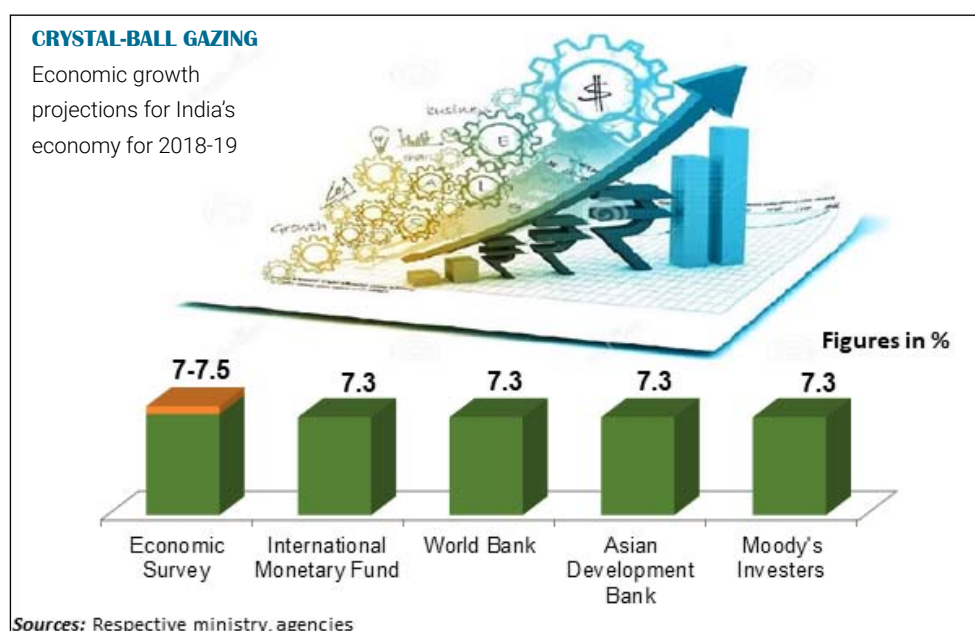
in recent years, it also tops the list of fastest growing Emerging Market Economies (EMEs) in the world. According to the IMF's database, India's contribution to world growth has risen from 7.6% during 2000-08 to 14.5% in 2018. India's growth story is backed by strong domestic fundamentals. For instance, (i) Inflation has eased, (ii) Central Government remains committed to the fiscal targets, and (iii) the Current Account Deficit (CAD) is far less than its peak level during the stress period (i.e., taper talk period of mid-2013). Indian economy has witnessed an accelerated pace of domestic reforms in recent years. These reforms include, inter alia, the flexible inflation-targeting monetary policy framework, the Insolvency and Bankruptcy Code (IBC), RBI's regulatory framework as its facilitator, is a game changer and creates an environment in which maximum value can be realized from troubled assets, bolstered by the early identification of incipient stress, the Goods and Services Tax (GST) and steps for enhancing foreign investments by liberalizing the FDI regime.

The Reserve Bank's initiatives in the recent period are aimed at ensuring better and timely recognition of stressed assets, sufficient provisioning and an efficient resolution process. After reaching a peak of 11.5% in March 2018, the gross non-performing asset ratio improved to 10.8% in September 2018. As per the current assessment of the Reserve Bank, the ratio may further improve to 10.3% by March, 2019. The IBC framework has resulted in better recovery as compared to the earlier mechanisms. The Government, the Bank Board Bureau and the Reserve Bank are redefining the contours of Corporate Governance in the Public Sector Banks (PSBs) with a focus on transparency, accountability and skills. The Current Account Deficit (CAD) since F.Y. 2013-14 (i.e., period after the taper talk) has been below 2% of GDP, though it rose to 2.7% in the first half of the financial year 2018-19 reflecting



elevated crude oil prices. On the consumer protection front, improvements in grievance redressal, introduction of innovative products for digital payments and measures to improve cyber security in banking are all expected to expand financial inclusion and provide financial services efficiently and cost-effectively. Appreciation of the Indian rupee against the US dollar during the quarter contributed substantially to the increase in net claims of non-residents by US\$ 44.30 billion from their level a quarter ago.

As regards policy environment relating to the external sector, sectoral norms for Foreign Direct Investment have been eased gradually and now 100 % FDI is permitted in all sectors, barring a few prohibited sectors. In recent years, the focus has been to simplify the FDI policy regime by abolishing the Foreign Investment Promotion Board, rationalizing various procedures, introducing e-biz portal as a single window for obtaining clearances from the central government and using information technology as enabler to make governance more effective.



B. SWOT ANALYSIS

Strengths	<ol style="list-style-type: none"> 1. SPMCIL is only Company in India manufacturing, Circulating Coins, Passports, Non-Judicial Stamp Papers, Postal Stationery and one of the two Companies printing Bank Notes. 2. It has over 75 years of experience in Currency Printing for India as well as for foreign countries and over Two Centuries of Minting Expertise. 3. It has dedicated workforce of 8918 employees in nine units, located in different parts of India. 4. All the nine units are ISO 9001:2000 and ISO 14001:2004 certified. 5. It has wide spectrum of Security End Products. 6. Mints of SPMCIL have a permanent membership of the Mint Directors Conference. 7. Impeccability is given importance as the quality assurance departments are fully equipped with advanced assay laboratories and specialized analysis techniques to ensure excellence in end products.
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	<ol style="list-style-type: none"> Mints have struck coins for countries like Greece, Sri Lanka, East Africa, Australia, Egypt, Bhutan, Iraq, Saudi Arabia, Malaysia, Oman in the past. Mints also manufacture Proof and Uncirculated variety of Commemorative coins. Mints are also host to an eclectic clientele of the various temples spread across the Nation. They also provide refining services for the precious metals donated to these temples and are also engaged in the production of mementos/ coins for such places of spiritual value. Mumbai Mint is the authorized agency to manufacture and supply Reference, Secondary and Working Standards of Mass, Length and Volume against the traceability of corresponding Standard Sets authenticated by National Physical Laboratory (NPL), India. SPMCIL employs specialized technology and multiple printing processes to produce security products under secured operating procedures and manufacturing protocols. It has exclusive printing facility and expertise in the production of commemorative Postal Stamps. Numerous distinguished education institutions are also associated with SPMCIL as a client for certificates with security features.
Weaknesses	<ol style="list-style-type: none"> Being a government organization, slow bureaucratic decisions may reduce efficiency. Dependence on external sources for key inputs leads to exposure of the Company to the market risk. High manpower cost. High inventory holding period leading to blockage of working capital. Old machinery and inefficient plant layout.
Opportunities	<ol style="list-style-type: none"> High export potential to other countries for various security products. High potential in bullion and commemorative coins. High potential to manufacture/supply medals & medallions, stamps, certificates and other security documents to other organisations. New series visually impaired friendly circulating coins and introduction of e-passport would create enormous business opportunities.
Threats	<ol style="list-style-type: none"> Government regulations affect business of SPMCIL. Erratic indent/demand of Banknotes and Circulating Coins by Reserve Bank of India (RBI). Delay in lifting of products and payment of dues by the customers. Limited suppliers of raw materials and plant & machinery.

C. RISKS AND CONCERNS

Your Company has an elaborate Enterprise Risk Management framework in place. A sub-committee of the Board, called Risk Management Committee (RMC) has been constituted in compliance with the Companies Act, 2013 and DPE Guidelines. The RMC is responsible for identifying & reviewing the risks and to formulate action plans and strategies to mitigate risks on short term as well as long term basis. Some of the

key risks which the Company faces, their impact and corresponding strategies undertaken for mitigation are discussed below:

- Strategic Risks arising out of strategic decisions and investments, resource allocation, delivery models, geographical expansion and other activities have the potential to impact the Company's mission. The Company is taking



assistance of independent advisors to mitigate strategic risks.

- Operational Risks arising out of loss resulting from inadequate or failed processes, people and information system have the potential to impact the efficiency and effectiveness of the business operations. The Company has formulated Standing Operating Procedures (SOPs) for various processes/systems in order to mitigate the operational risks.
- Due to security sensitive nature of the business of the Company, there is a risk of security breach. To strengthen the security, latest state of the art security system has been installed in units. The Company has deployed Central Industrial Security Force (CISF) and State Para-Military forces to take care of the security of the units. Intelligence Bureau (IB) officials are posted in the Security Presses and Security Paper Mill.
- Compliance with laws and regulations is an essential part of your Company's business operations. Frequent changes in legal and regulatory regime and introduction of newer regulations with multiple authorities regulating same areas lead to complexity in compliance. Your Company is committed to complying with all applicable laws and regulations. The relevant teams are responsible for setting detailed standards and ensuring that all employees are aware of and comply with regulations and laws specific and relevant to their roles. Your Company has institutionalized the mechanism to monitor changes in legislation, both existing and proposed. The Company pro-actively engages with the Government and regulators to develop a regulatory framework which is in the best interest of the stakeholders.
- Your Company's operations are increasingly dependent on IT systems and the management of information. Increasing digital interactions place even greater emphasis on the need for secure and reliable IT systems and infrastructure and careful management of

the information that is in our possession. The cyber-attack threat of unauthorised access and misuse of sensitive information or disruption to operations continues to increase. To reduce the impact of external cyber-attacks impacting our business, we have firewalls and threat monitoring systems in place, complete with immediate response capabilities to mitigate identified threats. Our employees are trained to understand these requirements.

Your Company's Management is committed to further strengthen its risk management capabilities in order to protect and enhance shareholders value. Considering the planned efforts, monitoring by top management and participation of all employees in the decision making process, the identified risks are well within the appetite of the Company.

D. OUTLOOK

India is widely believed to remain world's fastest-growing major economy in the medium to long term. The growth projections of several global agencies rank India at the top among the G-20 economies. In the medium term, annual growth is projected at around 7.5 % by the IMF and the World Bank. It is likely that growth will be more sustainable now, propelled by investment and private consumption. The latest estimates of national accounts suggest that investment activity has accelerated by 12.2% during 2018-19 as compared to 7.6% in 2017-18. Investment activity is expected to strengthen further as the benefits of recent structural reforms begin to materialize.

Besides the existing business line, the Company is exploring the opportunities for export of security products to other Countries/Governments/Organizations outside India and has engaged M/s. KPMG as the transaction advisor to explore the business opportunities for the Company in domestic and international markets. Your Company's policy to lead market development while keeping the sustainable living plan at its core will enable it to create long-term value for all its stakeholders.



E. REVIEW OF FINANCIAL PERFORMANCE

The Ministry of Corporate Affairs (MCA) notified Companies (Indian Accounting Standard) Rules, 2015 enabling implementation of Ind AS. Pursuant to this notification, SPMCIL and its Joint Venture Company, BNPMIPL have adopted Ind AS with effect from 1st April 2016. Accordingly, the Standalone and Consolidated Financial Statements for the year ended 31st March 2019 and 31st March 2018 have been prepared in accordance with Ind AS. The Revenue from Operations of your Company has increased to ₹5,711.34 crores in 2018-19 from ₹4,402.3 crores during the previous year 2017-18. Total expenditure for the year 2018-19

is ₹5,010.04 crores as compared to ₹4,028.44 crores for the year 2017-18. Profit before Tax (PBT) from continuing operations for 2018-19 is ₹815.18 crores as compared to ₹570.61 crores for 2017-18. The company has achieved a Total Comprehensive Income of ₹531.61 crores in the year 2018-19 as compared to ₹652.03 crores in the year 2017-18. Total Comprehensive Income has decreased to ₹620.48 crores after taking into account the 50% share of profit of JV Company, Bank Note Paper Mill India Private Limited (BNPMIPL) as compared to ₹767.90 crores in the year 2017-18. The comparative performance of major financial parameters (standalone) is given below:

Results (Standalone)

(₹ in Crores)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Revenue from Operations	5,711.34	4,402.30
Profit Before Tax (PBT)	815.18	570.61
Profit After Tax (PAT)	527.87	619.71
Total Comprehensive Income	531.61	652.03

Break-up of Revenue from Operations

(₹ in Crores)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
(A) Sale of Products		
Banknotes	2,419.19	1,965.60
Circulating Coins	1,846.18	1,426.43
Medals and Commemorative Coins	55.05	56.36
Security Inks	69.67	7.14
Passport & Allied	472.24	368.89
Postal Items	20.94	23.75
Non Postal Items	44.86	52.70
Non Judicial Stamp Papers	510.00	366.09
Others	170.50	70.58
(B) Revenue from Services		
Job Work	8.83	9.44
Other Service	0.12	0.31
(C) Other Operating Revenue		
Scrap Sale	92.04	96.94
Other operating activities	1.72	0.93
Rate Difference	-	(42.86)
TOTAL	5,711.34	4,402.30



Management of Funds

During the year, your Company continued its thrust on better funds management. Emphasis on cost reduction with improvement in productivity continued during the year through process improvement and R&D. Awareness was created at all levels to control cost in all areas of operation. Product development has been a continuous endeavor at SPMCIL for meeting specific application requirement of our customers.

F. RESEARCH AND DEVELOPMENT

The state-of-the-art Corporate R&D Centre has been setup at Currency Note Press (CNP), Nashik to carry out research and development activities on currency, passport and security documents etc. at par with international standards. Infrastructure such as counterfeit deterrence technology laboratory, material characterization laboratory (optics, spectroscopy & microscopy), chemical analysis laboratory, pilot plant has been developed for in-house R&D activities. Facilities such as library, lecture hall, visitor hall have also been completed for the Centre. Further, the R&D Centre is developing capabilities of advanced forensic analysis of Fake Indian Currency Notes.

A new R&D setup has been created at ISP, Nashik and various equipment viz. Digital Tear Resistance Tester, Cobb Tester, Digital Tensile Strength Tester, Digital Roughness/Porosity Tester, Digital Folding Endurance Tester, Brightness/Opacity & Colour Tester, Crumpling Instrument and Digital Bursting Strength Tester have been installed and commissioned. The testing of Paper and Corrugated Boxes has been started as per requirement.

A full-fledged R&D centre for Paper, Pulp etc. has been established at Security Paper Mill (SPM), Hoshangabad. Latest testing equipment and machinery have been procured and installed successfully in the said R&D centre.

IGM, Mumbai has designed and started supplying to the State Governments Volumetric Test Measure of 10 liters for fuel dispensing unit in coordination with FCRI. IGM Mumbai has got orders for 2000 nos. of FSTM from Ministry of Consumer Affairs for supplying to all the States. IGM, Mumbai has integrated facility of Gold refining, processing and

testing (assaying).

G. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

SPMCIL has an adequate internal control system in place in the form of well documented policies and procedures that cover critical as well as important activities of financial and other operating functions.

The Company has an efficient system of internal controls for achieving the following business objectives:

- Efficiency of operations
- Protection of resources
- Accuracy and promptness of financial reporting
- Compliance with the laid down policies and procedures
- Compliance with various laws and regulations

Your Company has a comprehensive system of internal control to safeguard the assets against loss from unauthorized use and ensure proper authorization of financial transactions. The system covering all financial and operating functions in the Company is designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance with laws and regulations as applicable in the various fields in which the Company operates. The Company has also implemented suitable internal control measures to ensure that all resources are utilized optimally, financial transactions are reported with accuracy and all applicable laws and regulations are strictly complied with.

The management of the Company duly considers and takes appropriate action on the recommendations made by the Statutory Auditors, Internal Auditors and the Audit Committee of the Board of Directors. The Company has continued its efforts to align its process and controls with global best practices. To make the internal control more effective and transparent, the Company had adopted the new Procurement Manual w.e.f. June, 2011 to enhance transparency in its operations. SAP/ERP has been operationalized thus bringing in transparency, efficiencies and economy in the operations.



Some significant features of internal control system are:

- Preparation and monitoring of annual budgets for major activities.
- A well-established team of internal auditors reviews and reports to management and Audit Committee and corrective measures are taken in time for continuous improvement.

H. HUMAN RESOURCE MANAGEMENT REVIEW

"Human resources are like natural resources; they're often buried deep. You have to go looking for them; they're not just lying around on the surface."

Your Company believes that it is its people who energize and make the organization exceptional, both in driving world class performance as well as in fostering and enhancing reputational capital. Development of human resources is essential for any organization that would be dynamic and growth-oriented. Unlike other resources, human resources have rather unlimited potential capabilities. The potential can be used only by creating a climate that can continuously identify, bring to surface, nurture and use the capabilities of people. Human Resource Development (HRD) system aims at creating a dynamic and growth-oriented climate in order to keep pace with fast changing environment.

Your Company provides an environment conducive for learning, encourages adoption of best practices in every area and nurtures creativity and innovation among employees. Human Resource initiatives in SPMCIL are focused on developing team spirit, employee empowerment and their involvement in various improvement activities. Strategic alignment of HRM to business priorities and objectives has facilitated smooth transition to state-of-the-art technology in the modernization and capacity expansion projects.

It is the Human Resource which is an invaluable asset during the phase of transition in your Company as one machine can do the work of fifty

ordinary men but no machine can do the work of one extraordinary man. Since employees are not disposable commodities, therefore various measures are being taken for welfare of the employees including socialization programmes, community activities, cultural functions, games and sports etc. In comparison to the preceding year, i.e. 2017-18, the Employees strength has come down from 9638 to 8918 as on 31.03.2019 due to natural attrition of manpower on account of superannuation.

I. ENVIRONMENT PROTECTION AND CONSERVATION

Your Company's Environment, Protection and Conservation Strategies are directed towards achieving the greenest and safest operations across all your Company's units by optimizing natural resource usage and providing safe and healthy workplace. Our focus is on inculcating a green and safe culture. The Company is addressing the critical area of climate change mitigation through several innovative and pioneering initiatives which are as follows:

- Re-orientation and modification of layout of industrial plants, structures.
- Tree plantation at factory sites & measures for restricting cutting of trees.
- Avoidance of fire hazards by adopting fire prevention system and mock-drill exercises of fire fighting to assess preparedness to fight fire disaster.
- Factory specific emergency preparedness.
- Installation of necessary safety measures at factory premises.
- Well maintained roads and passages in factory areas and colonies ensure dust free environment to its employees and residents.

The units of your Company do quarterly testing of the Environmental parameters in terms of stack emission, ambient air, water treatment after:

- Treating the effluent, noise inside and outside the factory, soil strengthening, etc. and take corrective actions.
- All nine units of your Company have implemented Environment Management System (EMS) in compliance of the International Standard (ISO 14001:14004) for better environmental management.



*“Trees are poems
that the earth writes
upon the sky.”*

Tree Plantation by Shri Subhash Chandra Garg, the then Secretary, DEA, MoF at CNP, Nashik



Tree Plantation by Ms. Tripti P. Ghosh, CMD, SPMCIL at SPP, Hyderabad



Tree Plantation by Shri Prashant Goyal, JS (C&C), DEA, MOF at CNP, Nashik



Tree Plantation by Shri Ajay Agarwal, Director (Finance), SPMCIL at SPM, Hoshangabad



Tree Plantation by Shri Ajai Kumar Srivastav, Director (Technical), SPMCIL at CNP, Nashik



Tree Plantation by Shri S.K. Sinha, Director(HR), SPMCIL at IGM, Noida



Tree Plantation by Ms. Mamta Singh, CVO, SPMCIL at IGM, Hyderabad

J. REPORT ON CORPORATE SOCIAL RESPONSIBILITY

"Businesses cannot be successful when the society around them fails."

Your Company's overarching commitment to create significant and sustainable societal value is manifest in its CSR initiatives. The objective of your Company is to conduct business in ways that embrace the most disadvantaged sections of the society through empowerment based on grassroots capacity building and creating sustainability and self-reliance. With the underlying philosophy and a credo to make a meaningful difference in people's lives, your Company has been structuring and implementing CSR initiatives right from the inception. The CSR initiatives of your Company have always been undertaken in conformity to the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and DPE Guidelines on CSR & Sustainability. SPMCIL carries out CSR projects in and around periphery of its units in line with the Schedule-VII of the Companies Act, 2013.

DPE vide O.M. No.CSR-08/0002/2018-Dir (CSR) dated 10th December 2018 had intimated "School Education and Healthcare" as the theme for CSR expenditure for the year 2018-19 and informed that the CSR expenditure for thematic programme should be around 60% of annual CSR expenditure of CPSEs and aspirational districts may be given preference.

The details of various CSR initiatives taken by the Company along with the Report on CSR in prescribed format are placed at **Annexure-A** forming part of this Annual Report. The CSR Policy of the Company is available on the website of the Company, www.spmcil.com

K. CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis, describing the Company's objective, projections and estimates are forward looking statements and progressive within the meaning of applicable Laws and Regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors.

Glimpses of CSR activities



Skill Training Programme organised by the Company for persons with Disability through NHCFCDC at Nashik



Construction of Library (Abhyasika Building) for Tribal Children at Ghoti, Igatipuri Taluka, Nashik



Skill Development Programme organised by the Company



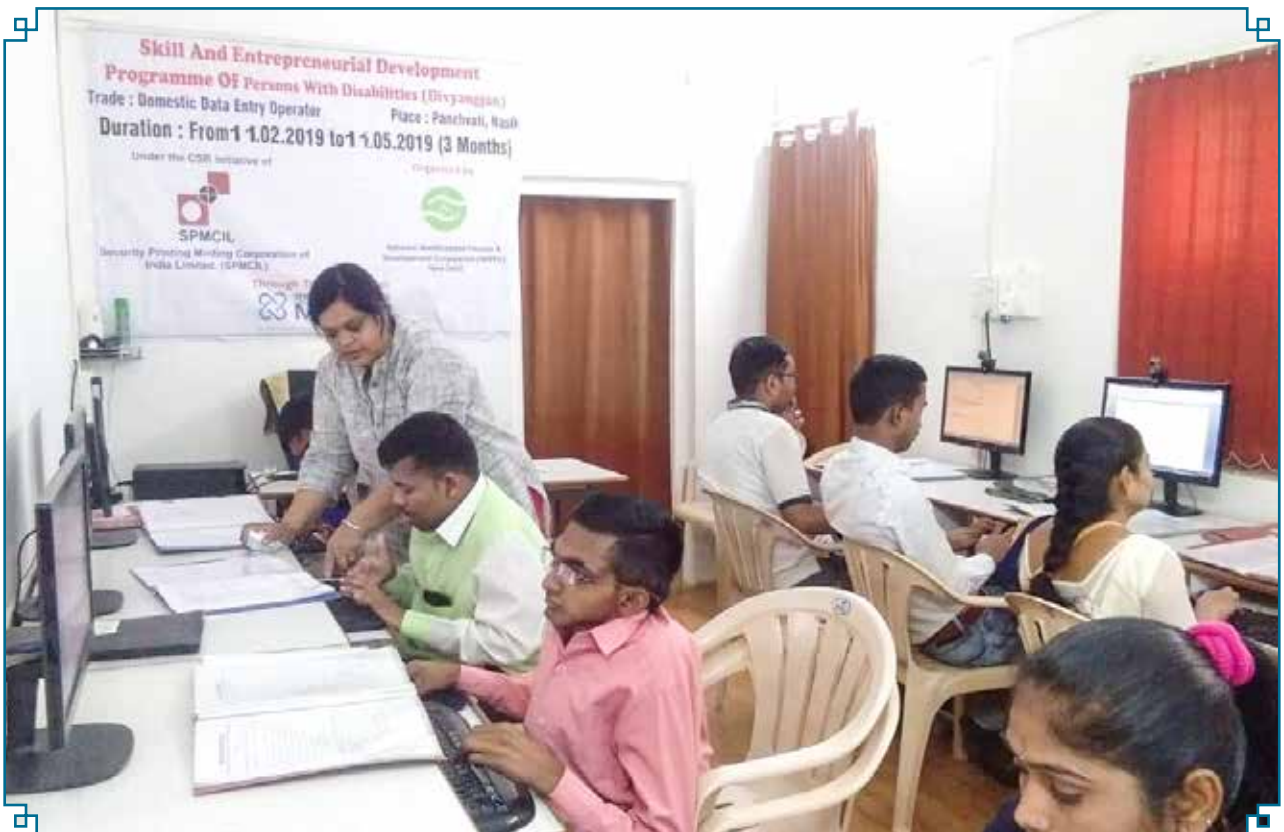
Five Dental Chairs provided to rural health centres in Gautam Budh Nagar (U.P.)



Emergency and Essential Medical Equipment to Gandhi Hospital, Hyderabad



Medical Equipment Provided to Trauma Centre, District Hospital, Hoshangabad



Skill Training Programme organised by the Company for persons with Disability through NHCFCDC at Dewas



Medical equipment provided to various Health Centres in Barwani District (M.P.) (Aspirational Distt)



Constructed a Bridge (Pipe Culvert) at Village Kawaria, Bagli Tehsil, District Dewas



ANNEXURE-A

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

1. A brief outline of the Company's CSR & Sustainability Policy

SPMCIL intends to play a vital role in socio economic development of the Country by meeting basic needs of the citizens through its successful CSR initiatives, programmes and policies towards building a sustainable society.

The purpose of this policy is:

- To define CSR projects or programs which SPMCIL plans to undertake and which fall within the purview of the Companies Act 2013, the Companies (CSR Policy) Rules, 2014 and the Guidelines on CSR and Sustainability issued by Department of Public Enterprises vide O.M. dated 21st October 2014;
- Modalities of execution of such CSR projects or programs;
- Monitoring process of such CSR projects or programs;
- To make the stakeholders aware about CSR practices in SPMCIL.

The main thrust areas under which CSR Projects to be undertaken are as follows:

- (i) Promoting Education
- (ii) Health and Welfare
- (iii) Providing Drinking Water in the Rural areas
- (iv) Construction of toilets
- (v) Providing Solar Lights
- (vi) Skill Development
- (vii) Contributions towards Swachh Bharat Kosh
- (viii) Contributions towards Clean Ganga Fund

CSR Policy and Project or programs have been uploaded on the website of the company, www.spmcil.com

2. The Composition of the CSR Committee

As on 31st March 2019, the CSR Committee of Board of Directors of the Company was consisting of the following Directors of the Company.

- (a) Shri Arun K. Chatterjee, Joint Secretary (PSP) & Chief Passport Officer, Ministry of External Affairs & Director, SPMCIL (Chairman)
- (b) Shri P.J. Mathew, Independent Director, SPMCIL (Member)
- (c) Shri S.K. Sinha, Director (HR), SPMCIL (Member)

3. Average net profit of the Company for the last three financial years

₹53,303 Lakh

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above)

₹ 1,066 Lakh



5. Details of CSR amounts spent during the financial year

(a) Total amount spent for the financial year : ₹388.62 Lakh

(b) Amount unspent, if any : ₹677.38 Lakh

(c) Manner in which the amount spent during the financial year is detailed below:

(Amount in ₹)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(A) Carry forward proposal for the year 2017-18							
1	CSR project for construction of Library (Abhyasika Building) for Tribal Children at Ghoti, Taluka Igatipuri, Distt. Nashik.	Schedule VII Item No.(ii)	1) Local area/CNP Unit, Nashik 2) District Nashik, Maharashtra	50,00,000	1) 25,00,000 2) NIL	25,00,000	CNP, Nashik through Zilla Parisad, Nashik (Maharashtra)
2	CSR Project for construction of class rooms /Girls Toilets, Repairing of Toilets, providing R.O Plant / computers and other infrastructure in 7 Government Schools of Hyderabad District.	Schedule VII Item No.(ii)	1. Local area/ SPP, Hyderabad 2) District Hyderabad, Telangana	43,33,388	1) 41,04,053 2) NIL	41,04,053	Amount spent by School
3.	CSR project regarding Skill Development Training Programme for 160 candidates for Machine Operator Assistant through National Scheduled Castes Finance and Development Corporation (NSCFDC), New Delhi.	Schedule VII Item No.(ii)	1) Local area/ SPMCIL, New Delhi 2) Nashik District, Maharashtra, Hyderabad & Rangareddy Distt, Telangana State	63,60,320	1) 58,53,696 2) NIL	58,53,696	National Scheduled Caste Finance and Development Corporation, New Delhi
4.	CSR project for fixing paver block for KRT Vidyalyaya, Mauje Sukene Taluka Niphad, District Nashik.	Schedule VII Item No.(ii)	1) Local area/ ISP, Nashik 2) District Nashik, Maharashtra	8,10,600	1) 8,10,600 2) NIL	8,10,600	Amount spent by School
(B) Proposal for the year 2018-19							
5.	CSR proposal regarding providing 6 dialysis machines to Bhagwan Mahavir Jain Relief Foundation Trust, Hyderabad.	Schedule VII Item No.(i)	1) Local area/ SPP, Hyderabad 2) District Hyderabad, Telangana	30,00,000	1) NIL 2) NIL	NIL	----
6.	CSR proposal regarding Skill Development Training Programme for 100 candidates (Divyangjan / PwDs) through National Handicapped Finance and Development Corporation (NHFD) under Ministry of Social Justice & Employment.	Schedule VII Item No.(ii)	1) Local area/ SPMCIL, New Delhi 2) Nashik, Dewas & Hoshangabad	26,95,000	1) 18,86,500 2) NIL	18,86,500	National Handicapped Finance and Development Corporation (NHFD)



Sl. No.	CSR project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
7.	CSR project for providing Surgical equipment in District Hospital, Hoshangabad.	Schedule VII Item No.(i)	1) Local area/ SPM, Hoshangabad 2) District Hospital, Hoshangabad	28,56,820	1) 28,56,820 2) NIL	28,56,820	District Hospital Hoshangabad, (M.P.)
8.	Skill Development Programme for 160 Candidates for Machine Operator Assistant through National Scheduled Caste Finance Development Corporation at CIPET, Aurangabad, CIPET, Hyderabad.	Schedule VII Item No.(ii)	1) CIPET, Aurangabad, & CIPET, Hyderabad 2) Aurangabad & Hyderabad	62,64,320	1) 9,39,648 2) NIL	9,39,648	National Scheduled Caste Finance and Development Corporation, New Delhi
9.	CSR project for construction of Library Hall and Reading Room for Sinnar Nagar Parisad, Sinnar Nashik District and providing the books for Library.	Schedule VII Item No.(ii)	1) Local area/ ISP, Nashik 2) District Nashik, Maharashtra	60,00,000	1) NIL 2) NIL	NIL	Municipal Corporation, Sinnar (Maharashtra)
10.	Construction of Bridge (Pipe Culvert) Village Kawaria, Tehsil Bagli, District Dewas.	Schedule VII Item No.(x)	1. Local area/ BNP Dewas 2) District Administration, Dewas	14,48,639	1) 14,47,149 2) NIL	14,47,149	District Administration, Dewas (M.P.)
11.	CSR Project for providing 02 nos. Mobile Clinic and 5 Dental Chairs for rural area of Gautam Budh Nagar District.	Schedule VII Item No.(i)	1) Local area/IGM, Noida 2) District Administration, GB Nagar (U.P.)	37,94,596	1) 10,87,650 2) NIL	10,87,650	District Administrator, GB Nagar (U.P.)
12.	CSR proposal regarding theme based project for providing Medical equipment in Barwani District (M.P.) (Aspirational District).	Schedule VII Item No.(i)	1) Local area/BNP, Dewas 2) District Administration, District Barwani (M.P.)	1,01,41,600	1) 45,28,000 2) NIL	45,28,000	District Administration, Barwani (M.P.)
13.	Providing Emergency and Essential Medical Equipment to Gandhi Hospital, Hyderabad (Telangana).	Schedule VII Item No.(i)	1) Local area/IGM, Hyderabad 2) CMO, Gandhi Hospital, Hyderabad	99,12,000	1) 62,16,000 2) NIL	62,16,000	Hospital Management, Gandhi Hospital, Hyderabad (Telangana)
14.	Providing equipment, computers and furniture etc. to Municipal Corporation, Howrah for Hospitals and Schools.	Schedule VII Item No.(i)	1. Local area/IGM, Kolkata 2) Municipal Commissioner, Howrah	97,33,720	1) 56,12,423 2) NIL	56,12,423	Commissioner Municipal Corporation, Howrah (W.B.)
15.	Expenses towards Evaluation charges paid to MDI, Gurugram being an independent third party.	–	–	4,52,641	2) NIL	4,52,641	–
16.	Payment to Consultant for CSR Work.	–	–	5,67,000	–	5,67,000	–
Total Expenditure						3,88,62,180	



6. In case the company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.

- a) During the year 2018-19, the Company could take-up the projects for the amount of ₹826 lakh against the budget of ₹1066 lakh which are in progress at various stages. As per the outcome of CSR conclave held on 9th May 2018 and decision of Government vide O.M. No.CSR-08/0002/2018-Dir(CSR) dated 8th June 2018 to utilize the CSR funds in a focused manner towards National priorities, the company had notified the theme based projects by adopting a village under the theme of "Gram Uday". Accordingly various CSR projects were conceived in the remote villages with the help of District Administration for providing infrastructure facilities for school, community centres, road, sanitation, drinking water facility and skill development to make the villagers self-reliant. Subsequently, DPE vide O.M. dated 10th December 2018 intimated that the theme for the current year 2018-19 is School Education and Health Care for which CPSEs have to spend 60% of the annual CSR expenditure. It was also intimated that the CPSEs shall give priority to aspirational districts. Accordingly, the Company reoriented its thrust area and the projects under consideration were kept in abeyance leading to not spending the budgeted CSR amount for the year 2018-19.
- b) Some projects taken up during the year are going to stretch beyond 2018-19. Fund required for completing these projects shall be met from funds already allocated to them from the CSR budget for FY 2018-19.
- c) In some of the projects, increased focus on monitoring resulted in efficient fund utilisation, which led to lesser actual expenditure vis-à-vis amount allocated.
- d) It is pertinent to mention that in line with the Guidelines on CSR & Sustainability, issued by Department of Public Enterprises (DPE), the unspent amount of ₹677.38 lakh will not lapse and will be carried forward to FY 2019-20.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The Board of Directors of the Company has approved the CSR & Sustainability Policy and CSR & Sustainability Activities have been undertaken as per the Policy.

Sd/-
(**B.J. Gupta**)
Addl. GM (HR)

Sd/-
(**S.K. Sinha**)
Member, CSR Committee
DIN : 07585095

Sd/-
(**P.J. Mathew**)
Member, CSR Committee
DIN : 06431096

Sd/-
(**Arun K. Chatterjee**)
Chairman, CSR Committee
DIN : 07532401

REPORT ON CORPORATE GOVERNANCE

In SPMCIL, Corporate Governance philosophy stems from our belief that corporate governance is a key element in improving efficiency, growth, enhancing investor's confidence and return on investments to the shareholders. SPMCIL is committed to creating value that is not only profitable to the business but sustainable in the long-term interests of all stakeholders. In pursuit of same, we consider it our inherent responsibility to disclose timely and accurate information regarding our performance as well as the governance in the Company. SPMCIL is complying with the Corporate Governance norms set by the Companies Act, 2013 and the Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), Government of India. SPMCIL has achieved Excellent rating for compliance of Guidelines on Corporate Governance for CPSEs issued by DPE for the year 2017-18 continuously since inception.

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

"The bedrock of SPMCIL governance philosophy are transparency, ethical corporate citizenship, control, empowerment, fairness, responsibility and accountability".

SPMCIL defines Corporate Governance as a system of rules, practices & processes that ensure ethical & efficient conduct of affairs of the company and also help in maximizing value of its shareholders like employees, stakeholders, customers & society at large in order to build an environment of trust & confidence among all the constituents.

The Company recognizes that a good corporate governance is a continuous exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of

its stakeholders. It determines the health of an organization and its ability to survive economic shocks. Keeping in view the philosophy, the Corporate Governance at SPMCIL is based on following main key principles & practices:

- Independence and Versatility of Board and ensuring that management must have executive freedom to derive the enterprise forward without undue restraints.
- Adherence & compliances of laws, rules, regulations and discharge of social responsibility for sustainable development of all stakeholders.
- A sound system of internal control and processes to mitigate risks associated with achievement of business objectives, both short-term and long-term.
- Commitment to values, ethical business, high degree of disclosure and transparency levels.
- Minimization of wastages and risks. Eradication of Corruption and is management.
- Timely and balanced disclosure of all material information to the shareholders.

SPMCIL GOVERNANCE STRUCTURE

The practice of Corporate Governance in SPMCIL takes place through different levels i.e.

1. Board of Directors
2. Board Level Audit Committee
3. Remuneration Committee
4. Corporate Social Responsibility
5. Investment Committee
6. Risk Management Committee
7. General Meetings
8. Disclosures
9. General Shareholder Information

The core roles of the key entities flow from this structure which in turn determines the core

responsibilities of each entity. In order to discharge such responsibilities each entity is empowered formally with requisite powers.

ROLE OF VARIOUS ENTITIES:

1. BOARD OF DIRECTORS

In terms of the Company's Corporate Governance Policy all the statutory and other significant & material information are placed before Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of shareholders.

Pursuant to Section 2(45) of the Companies Act, 2013, SPMCIL is Government Company as the total paid-up share capital of the company is held by the Government of India through President of India. The composition of Board of Directors of SPMCIL has an appropriate mix of Functional Directors including Chairman & Managing Director and Non-Executive Directors represented by Government Nominees & End user Representatives and Independent Directors, to maintain the independence of the Board functions of management and control. The power to appoint Directors vests with the President of India.

(i) Composition of Board of Directors is as follows:

Particulars	Board Structure	Actual Strength as on 31 st March, 2019
Chairman & Managing Director (Functional)	1	1
Whole-time Executive (Functional) Directors	3	3
Part-time Official (Government Nominee) Directors (two represented by Ministry of Finance & one represented by Ministry of Home Affairs)	3	3
Part-time Official (End-User Representative) Directors (one each from Ministry of External Affairs, Reserve Bank of India and Department of Posts)	3	3
Part-time Non-official (Independent) Directors	2	1
TOTAL	12	11

As on 31st March 2019 there exists one vacancy of Part-time Non-official (Independent) Director on the Board of SPMCIL. The matter of filling-up of the vacancy is under consideration of Department of Economic Affairs, Ministry of Finance, Government of India.

(ii) Attendance of each Director at the Board Meetings held during 2018-19 and the last AGM

Director's Name	No. of Board Meetings		Whether Attended Last AGM (held on 31 st July 2018)
	Held	Attended	
(a) Executive Directors			
Shri S. Selvakumar, Chairman & Managing Director (upto 1 st May 2018) (DIN : 00962240)	-	-	*
Ms. Tripti P. Ghosh, Chairman & Managing Director (w.e.f. 1 st May 2018) (DIN : 08123112)	5	5	Yes
Shri Ajai Kumar Srivastav, Director (Technical) (DIN : 07571219)	5	5	Yes
Shri S.K. Sinha, Director (HR) (DIN : 07585095)	5	5	Yes



Director's Name	No. of Board Meetings		Whether Attended Last AGM (held on 31 st July 2018)
	Held	Attended	
Shri Ajay Agarwal, Director (Finance) (DIN : 06778079)	5	5	Yes
(b) Part-time Official (Government Nominee) Directors			
Ms. Meera Swarup, Additional Secretary & Financial Advisor, Ministry of Finance (DIN : 07459492)	5	4	Yes
Shri Anurag Agarwal, Joint Secretary (C&C), Dept. of Economic Affairs, Ministry of Finance (upto 2 nd May 2018) (DIN : 01360908)	-	-	*
Shri Prashant Goyal, Joint Secretary (C&C), Department of Economic Affairs, Ministry of Finance (w.e.f. 2 nd May 2018) (DIN : 08123752)	5	4	Yes
Shri Kumar Alok, Joint Secretary (P-I), Ministry of Home Affairs (upto 3 rd July 2018) (DIN : 03456523)	1	0	*
Shri S.C.L Das, Joint Secretary (IS-I), Ministry of Home Affairs (w.e.f. 3 rd July 2018) (DIN : 02141779)	4	1	No
(c) Part-time Official (End-User Representative) Directors			
Shri Arun K. Chatterjee, Joint Secretary (PSP) & Chief Passport Officer, Ministry of External Affairs (DIN : 07532401)	5	5	Yes
Shri Ajay Michyari, Chief General Manager in-charge, Department of Currency Management, Reserve Bank of India (DIN : 06430828)	5	4	Yes
Shri Niraj Kumar, Dy. Director General (Philately), Department of Posts (Upto 16 th August 2018) (DIN : 03622825)	2	0	No
Ms. Amarpreet Duggal, Dy. Director General (Philately), Department of Posts (w.e.f. 25 th August 2018) (DIN : 08207199)	3	2	*
(d) Part-time Non-official (Independent) Directors			
Shri P.J. Mathew, Independent Director (DIN : 06431096)	5	5	Yes

*Denotes the respective person was not a Director of SPMCIL as on last AGM date.

(iii) Details of Directorships, Committee Memberships and Committee Chairmanship in other companies as on 31st March 2019

Director's Name	Details of Directorships in other Companies	Details of Committee Memberships and Committee Chairmanship in other Companies*
Ms. Tripti P. Ghosh, Chairman & Managing Director (DIN : 08123112)	Bank Note Paper Mill India Private Limited (BNPMIPL)	-Nil-



Director's Name	Details of Directorships in other Companies	Details of Committee Memberships and Committee Chairmanship in other Companies*
Shri Ajai Kumar Srivastav, Director (Technical) (DIN : 07571219)	Bank Note Paper Mill India Private Limited (BNPMIPL)	Member of Audit Committee and CSR Committee of BNPMIPL
Shri S.K. Sinha, Director (HR) (DIN : 07585095)	Bank Note Paper Mill India Private Limited (BNPMIPL)	Member of Audit Committee and CSR Committee of BNPMIPL
Shri Ajay Agarwal, Director (Finance) (DIN : 06778079)	-Nil-	-Nil-
Ms. Meera Swarup, Additional Secretary & Financial Advisor, Ministry of Finance (DIN : 07459492)	Goods Service Tax Network (GSTN)	-Nil-
Shri Prashant Goyal, Joint Secretary (C&C), Department of Economic Affairs, Ministry of Finance (w.e.f. 2 nd May 2018) (DIN : 08123752)	-Nil-	-Nil-
Shri S.C.L. Das, Joint Secretary (IS-I), Ministry of Home Affairs (w.e.f. 3 rd July 2018) (DIN : 02141779)	-Nil-	-Nil-
Shri Arun K. Chatterjee, Joint Secretary (PSP) & Chief Passport Officer, Ministry of External Affairs (DIN : 07532401)	-Nil-	-Nil-
Shri Ajay Michyari, Chief General Manager in-charge, Department of Currency Management, Reserve Bank of India (DIN : 06430828)	-Nil-	-Nil-
Ms. Amarpreet Duggal, Dy. Director General (Philately), Department of Posts (w.e.f. 25 th August 2018) (DIN : 08207199)	-Nil-	-Nil-
Shri P.J. Mathew, Independent Director (DIN : 06431096)	L&T Special Steels & Heavy Forgings Private Limited	Audit Committee of L&T Special Steels & Heavy Forgings Private Limited

*Only Chairmanship/Membership of the Audit Committee, CSR Committee & Remuneration Committee has been considered.

No Director of the Company holds office at the same time as Director in more than twenty (20) companies. No Director of the Company is a member in more than ten (10) Committees or is a Chairman of more than five (5) Committees across all companies in which he is a Director. Disclosure of relationship between Directors inter-se: NIL.

(iv) Number of Board Meetings held, dates on which held

The Company adheres to DPE guidelines and Secretarial Standard-1 for the meetings of the

Board of Directors and its Committees. The meetings are convened by giving appropriate notice after obtaining approval of the Chairman of the Board/Committee. Meetings are governed by a structured agenda. In case of any exigency, resolutions are passed by circulation.

The meetings of the Board are normally held at the Company's Registered Office at New Delhi and are scheduled well in advance. The Company Secretary, in consultation with the Chairman & Managing Director, sends a written notice of each



Board meeting to each Director. The members of the Board have access to all information of the Company and are free to recommend inclusion of any matter for discussion in agenda which is usually sent in advance. In case of need, the senior management is invited to attend the Board Meetings to provide additional inputs relating to the items being discussed and / or to give presentation to the Board. The Board meets at least once in a quarter to review the quarterly results and other items on the agenda. Additional meetings are held, when necessary. During the year under review, the Board met five times on the following dates:

- (i) 29th June 2018
- (ii) 31st July 2018
- (iii) 22nd November 2018
- (iv) 18th January 2019
- (v) 18th March 2019

(v) Board's Responsibilities

The Board's mandate is to oversee the Company's strategic direction, review and monitor corporate performance, ensure regulatory compliance and safeguard the interests of the shareholders.

(vi) Role of Independent Directors

The Independent Directors play an important role in deliberations at the Board and Committee meetings. The Independent Directors are part of important Committees constituted by the Board such as Audit Committee, Remuneration Committee and CSR Committee. In terms of Companies Act, 2013, the Audit Committee and the Remuneration Committee are chaired by an Independent Director and function within their respective defined terms of references. Further, the Board has also constituted an Investment Committee for investment of surplus funds of the Company. A Risk Management Committee has also been constituted in compliance of DPE guidelines. The minutes of all the Board Level Committee Meetings are circulated and discussed in the Board Meetings.

(vii) Information placed before the Board of Directors

The agenda placed before the Board inter alia includes the following:-

- Annual operating plans and budgets and any updates.
- Quarterly results for the company.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- Significant labour problems and their proposed solutions, any significant development in Human Resources / Industrial Relations front like signing of wage agreement etc.
- Action Taken Report on matters desired by the Board.
- Disclosure of Interest by Directors about directorships and Committee positions occupied by them in other companies.
- Report on compliance of various laws.
- Information relating to major legal disputes.
- Any contract(s) in which Director(s) is deemed to be interested.
- Significant Capital Investment proposals.
- Status of safety and legal compliance.
- Changes in significant accounting policies & practices and reasons for the same.
- Any other information as required under DPE guidelines and SS-1 etc., to be presented to the Board either for information or approval.

(viii) Selection of New Directors

As per Articles of Association of SPMCIL, the President of India through Department of Economic Affairs, Ministry of Finance, appoints the Chairman & Managing Director and Functional Directors on the Board of SPMCIL and also appoints Part-time Non-executive (Government nominees, End-user representatives and Independent) Directors on the Board of SPMCIL.



The Independent Directors are selected by the Department of Economic Affairs in consultation with the Search Committee of the Department of Public Enterprises which maintains a panel of eminent personalities having wide experience in the field of Management, Finance, Engineering, Administration and Industry.

(ix) Code of Conduct

As part of SPMCIL's persisting endeavor to set a high standard of conduct for its employees, a 'Code of Business Conduct and Ethics' was laid down for all Board Members and Senior Management personnel. The Code encompasses:

- General Moral Imperatives;
- Specific Professional Responsibilities; and
- Specific Additional Provisions for Board Members and Senior Management Personnel.

A copy of the said Code has been placed on the Company's website 'www.spmcil.com'.

2. BOARD LEVEL AUDIT COMMITTEE

(i) Terms of Reference

The terms of reference of the Board Level Audit Committee specified by the Board are in conformity with the requirements of Section 177 of the Companies Act, 2013 and are as follows:

1. Discussion with Auditors periodically about internal control systems and the scope of audit including observations of the Auditors.
2. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
3. Ensuring Compliance of Internal Control Systems.
4. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
5. Noting appointment and removal of external auditors. Recommending the fixation of audit fee of external auditors and also approval for payment for any other services.
6. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement being part of the Board's report in terms of clause I of sub-section (3) of Section 134(5) of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report.
7. Reviewing, with the management, performance of statutory and internal auditors, the adequacy of internal control systems and suggestion for improvement of the same.
8. Reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the

audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.

11. Review of Observations of C&AG including status of Government Audit paras.
12. Investigation into any matter in relation to the items specified above or referred to it by the Board.
13. To review the follow-up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
14. Provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

(ii) Composition of Committee, name of Members & Chairperson

The Audit Committee is chaired by an Independent Director. The member directors comprise of professionals of repute and standing with background in commerce, finance, administration and governance. The Committee comprises of the following directors:

Name of the Director	Position	No. of meetings held during their tenure	No. of meetings attended
Shri P.J. Mathew (DIN : 06431096)	Chairperson	4	4
Shri Arun K. Chatterjee (DIN : 07532401)	Member	4	4

Director (Finance) is permanent invitee. Company Secretary acts as Secretary to the Committee.

(iii) Meetings and Attendance

The Audit Committee met four times on 29th June 2018, 31st July 2018, 22nd November 2018 and 17th January 2019. The detail of attendance of each

member is given in the above table.

3. REMUNERATION COMMITTEE

(i) Remuneration policy

SPMCIL being a Public Sector Undertaking, the appointment and remuneration of CMD / Functional Directors are decided by the Government of India. The part-time non-executive directors are not paid any remuneration except sitting fees to Independent Directors for attending meetings of the Board or Committees thereof.

(ii) Terms of Reference

In line with the requirements of Section 178 of the Companies Act, 2013, the Remuneration Committee has the following terms of reference:

- (a) Recommendation on fees / compensation, if any, to be paid, to Non-Executive directors, including independent directors, to the Board of Directors/ Shareholders.
- (b) To decide the bonus / variable pay pool and policy for its distribution across the executives and non-unionised supervisors.
- (c) Carrying out any other function related to the terms of reference of the Committee.

MCA vide Notification dated 5th June 2015 provided that Section 178 (2) of the Companies Act, 2013 with regard to performance evaluation of Directors shall not apply to a Government Company.

(iii) Composition of Committee, Name of Members & Chairperson

The Committee comprises of the following directors:

Name of the Director	Position	No. of meetings held during their tenure	No. of meetings attended
Shri P.J. Mathew (DIN : 06431096)	Member	1	1
Shri Arun K. Chatterjee (DIN : 07532401)	Member	1	1

Company Secretary acts as Secretary to the Committee.

(iv) Meetings and Attendance

During the year 2018-19, one meeting of Remuneration Committee was held on 22nd November 2018. The detail of attendance of each member is given in the above table.

(v) Details of remuneration of Functional Directors during the year 2018-19 are given below:-

Name of the Director	Total Remuneration (' in Lacs)
Ms. Tripti P. Ghosh, Chairman & Managing Director (DIN : 08123112)	41.02
Shri Ajai Kumar Srivastav, Director (Technical) (DIN : 07571219)	63.64
Shri S.K. Sinha, Director (HR) (DIN : 07585095)	61.88
Shri Ajay Agarwal, Director (Finance) (DIN : 06778079)	40.84

No remuneration was paid to the officials of DEA, Ministry of Finance holding additional charge of the post of CMD of the Company during the year 2018-19.

(vi) Details of payments made to Independent Directors during the year 2018-19 are given below:

Name of the Independent Directors	Sitting Fees		Total
	Board Meetings	Committee Meetings	
Shri P.J. Mathew (DIN : 06431096)	5	8	1,95,000

4. BOARD LEVEL COMMITTEE FOR CORPORATE SOCIAL RESPONSIBILITY

The company implements various measures in the area of Corporate Social Responsibility (CSR).

(i) Terms of Reference

The terms of reference of the CSR Committee are as under:

- Formulation and recommendation to the Board of the Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in

Schedule VII to the Companies Act, 2013;

- Recommendation of the projects, programs and amount of expenditure to be incurred on the activities referred to in clause (a);
- Monitoring the Corporate Social Responsibility activities of the company from time to time; and
- Ensuring compliance with guidelines on Corporate Social Responsibility and Sustainability issued by the Government of India from time to time.

(ii) Composition of Committee, name of Members & Chairperson

The CSR Committee comprises of the following Directors:

Name of the Director	Position	No. of meetings held during their tenure	No. of meetings attended
Shri Arun K. Chatterjee (DIN : 07532401)	Chairperson	3	3
Shri P.J. Mathew (DIN : 06431096)	Member	3	3
Shri S.K. Sinha (DIN : 07585095)	Member	3	3

(iii) Meetings and Attendance

The Committee met three times during the year on 22nd October 2018, 17th January 2019 and 18th March 2019. The detail of attendance of each member is given in the above table.

5. INVESTMENT COMMITTEE

The Board of Directors of the Company had constituted an Investment Committee to invest the surplus funds of the Company in accordance with the guidelines issued by Department of Public Enterprises (DPE). The Investment Committee consists of Ms. Tripti P. Ghosh, Chairman and Managing Director, Shri Ajay Agarwal, Director (Finance) and Shri Arun K. Chatterjee, Joint Secretary (PSP) & Chief Passport Officer, Ministry of External Affairs & Director of the Company. One meeting of Investment Committee was held during the year 2018-19 on 18th March 2019.



6. RISK MANAGEMENT COMMITTEE

The Risk Management Committee has the key role in ensuring enterprise wide risk management and aligning the strategic objectives with the organization's key risks in order to achieve intended outcomes. The Risk Management Committee consists of Shri Ajay Agarwal, Director (Finance), Shri Ajai Kumar Srivastav, Director (Technical), Shri S.K. Sinha, Director (HR) and Shri P.J. Mathew, Independent Director of the Company. Shri Ajay Agarwal, Director (Finance) is the Chairman of the Committee and Company Secretary is the convener of the committee. The role and responsibilities of Risk Management Committee are as follows:

- Ensure that appropriate systems are in place to manage the identified risks, so that the organization's assets and reputation are suitably protected.
- Ensure that responsibility and authorities are clearly defined and adequate resources are assigned to implement the Risk Management Policy.
- Review the key risks reported by the Corporate Risk Committee (CRC) and approve remedial mitigation decided by CRC for key risks.

No meeting of Risk Management Committee was held during the year 2018-19.

7. GENERAL MEETINGS

(i) Location and time of last three AGMs:

Year	Location	Date	Time
FY 2015-16 (11 th AGM)	16 th Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi	21 st December 2016	1:30 p.m.
FY 2016-17 (12 th AGM)	16 th Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi	27 th September 2017	1:00 p.m.
FY 2017-18 (13 th AGM)	16 th Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi	31 st July 2018	1.30 p.m.

(ii) Details of Special resolutions passed in previous three AGMs

No special resolution was passed in the previous three Annual General Meetings.

8. DISCLOSURES

(i) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.**

The company has not entered into any materially significant related party transactions (RPTs) that may have potential conflict with the interests of the company at large. Nonetheless, transactions with related parties have been disclosed in the Notes to Accounts of the Financial Statements for the year ended 31st March 2019.

(ii) **Non-compliances / penalties & strictures imposed on the company during the last three years**

There were no instances of non-compliance on any matter during the last three years. It is reaffirmed that no penalties imposed or strictures passed against the Company by

the statutory authorities except the cases mentioned in notes to accounts forming part of the financial statement and disposal of the same are still pending with the judicial and quasi-judicial authorities.

(iii) **Whistle Blower Policy**

In pursuance of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, and Section 177 of the Companies Act, 2013, the Company has reiterated the Whistle Blower Policy of Central Vigilance Commission (CVC). The complaints received under the Policy are being processed as per the guidelines in this regard and no person has been denied access to the Audit Committee.

A copy of the Whistle Blower Policy has also been placed on the website of the Company www.spmcil.com for wide publicity.

(iv) **Details of compliance with the requirements of DPE Guidelines on Corporate Governance**

All mandatory requirements of the DPE Guidelines on Corporate Governance for CPSEs have been duly complied with by the

company except those relating to required number of Independent Directors on the Board. No expenditure has been debited in books of accounts which is not for the purpose of business and no expenses incurred and accounted which are personal in nature and incurred for the Board of Directors and Top Management.

(v) Presidential Directives

During the last three years i.e. 2016-17, 2017-18 & 2018-19, no Presidential Directive was received.

(vi) Risk Management

In compliance with DPE guidelines on Corporate Governance for CPSEs, the Risk Management Policy of the Company has been approved by the Board of Directors of the Company which ensures that the risks are being properly identified and effectively managed. A Risk Management Committee of the Board of Directors of the Company has also been constituted as per details given elsewhere in this report.

(v) Certificate on Corporate Governance

The Certificate obtained from the practicing Company Secretary regarding compliance of conditions of Guidelines of Corporate Governance of CPSEs has been annexed to this Report.

9. GENERAL SHAREHOLDER INFORMATION

(i)	AGM		
	Date	Time	Venue
	06 th September 2019	1:30 p.m.	16 th Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi
(ii)	Financial Year	1 st April 2018 to 31 st March 2019	

(iii) Dividend History:

The details of dividend paid by SPMCIL are

summarized as under:

Year	Total Amount of Dividend Paid (₹ in Crores)	Date on which dividend was declared
2010-11 (Final)	115.44	10 th August 2011
2011-12 (Final)	116.49	30 th July 2012
2012-13 (Final)	84.70	13 th November 2013
2013-14 (Final)	42.93	11 th November 2014
2015-16 (Final)	60.92	30 th September 2016
2016-17 (Final)	227.64	27 th September 2017
2017-18 (Final)	204.87	31 st July 2018

(iv) Means of Communication:

The official news releases, presentations, financial information etc. are displayed on the Company's website www.spmcil.com. The code of conduct and other related information are also available on the Company's website.

(v) Plant locations


UNITS OF SPMCIL	Dewas (M.P.)	Bank Note Press
	Hoshangabad (M.P.)	Security Paper Mill
	Hyderabad (T.S.)	Security Printing Press
	Kolkata (W.B.)	India Government Mint
	Mumbai (M.H.)	India Government Mint
	Noida (U.P.)	India Government Mint
	Nashik (M.H.)	Currency Note Press India Security Press

It is hereby declared that all Board members and Senior Management personnel have affirmed compliance with SPMCIL's "Code of Business Conduct and Ethics" for the financial year 2018-19.

(vi) Dematerialisation of Shares:

Pursuant to notification dated 10th September 2018 of Ministry of Corporate Affairs, the equity shares of the Company have been dematerialised. The name and address of Registrar & Transfer Agent is Alankit Assignments Limited, Jhandewalan Extension, New Delhi-110055.

For and on behalf of the Board of Directors


(Tripti P. Ghosh)

Chairman and Managing Director
DIN : 08123112

Place : New Delhi
Date : 06th September 2019



CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Security Printing and Minting Corporation of India Limited
16TH Floor, Jawahar Vyapar Bhawan,
Janpath, New Delhi – 110 001

We have examined the compliance of the conditions of Corporate Governance by Security Printing and Minting Corporation of India Limited, (herewith referred as 'the Company') for the year ended on 31st March 2019 as stipulated in 'Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010' vide Notification No. 1 No. 18(8)/2005- GM originally issued on 22nd June 2007 and revised guidelines vide office memorandum dated 14th May 2010 by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises Government of India and annexure mentioned there under (herein referred as 'Guidelines').

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in above mentioned guidelines. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the Company has complied with the conditions of corporate governance as stipulated in above mentioned DPE guidelines except the following.

1. The Board of Directors of the Company is not duly constituted with proper balance of Independent Directors.

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

For Amit Agrawal & Associates
(Company Secretaries)

Sd/-

CS Amit Agrawal
(Proprietor)
M. No. F5311
C.P. No. : 3647

Date : 06.07.2019

Place : Delhi



ANNEXURE-X

FORM NO. AOC.2

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 arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis
 - (a) Name(s) of the related party and nature of relationship: **N.A.**
 - (b) Nature of contracts/arrangements/transactions: **N.A.**
 - (c) Duration of the contracts/arrangements/transactions: **N.A.**
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
 - (e) Justification for entering into such contracts or arrangements or transactions: **N.A.**
 - (f) Date of approval by the Board: **N.A.**
 - (g) Amount paid as advances, if any: **N.A.**
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **N.A.**
2. Details of material contracts or arrangement or transactions at arm's length basis
 - (a) Name(s) of the related party and nature of relationship: **Bank Note Paper Mill India Private Limited (BNPMIPL), Joint Venture Company.**
 - (b) Nature of contracts/arrangements/transactions: **Purchase of CWBN Security Paper/Sale of Security Fiber**
 - (c) Duration of the contracts/arrangements/transactions: -
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Purchase of CWBN Security Paper/Sale of Security Fiber in accordance with the terms and conditions of Joint Venture cum Shareholders Agreement for the aggregate amount of ₹124.88 crores in the year 2018-19.**
 - (e) Date(s) of approval by the Board, if any: **N.A.**
 - (f) Amount paid as advances, if any: **N.A.**

For and on behalf of the Board of Directors



(Tripti P. Ghosh)

Chairman and Managing Director
(DIN : 08123112)

Place : New Delhi
Date : 06th September 2019

Standalone *Financial Statement* *2018-19*





REVISED INDEPENDENT AUDITOR'S REPORT

To,

**The Members of
SECURITY PRINTING & MINTING CORPORATION
OF INDIA LIMITED**

Revised Report on the Audit of Standalone Ind AS Financial Statements

Opinion

Our report dated 19th June 2019 on the accounts for the year ended 31st March 2019 has been revised to give effect to the observations made by the Comptroller & Auditor General of India in the supplementary audit carried out by them under Section 143(6)(a) of the Companies Act, 2013.

We have audited the accompanying standalone Ind AS financial statements of **Security Printing & Minting Corporation of India Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information which are included in the returns for the year ended on that date audited by the branch auditors of the company's Units located at Mumbai, Kolkata, Hyderabad, Dewas, Nashik, Hoshangabad and Noida.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 (referred to as "the Act") in the manner so required and give a true and fair view in conformity with the accounting principles which are generally accepted in India (including the Ind AS), of the state of affairs of the company as at March 31, 2019, its profit including other comprehensive income, the changes in equity and its cash flow for the year ended on that date.

Basis for Qualified Opinion

We draw attention to matters listed in **Annexure-I "BASIS FOR QUALIFIED OPINION"**.

We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

EMPHASIS OF MATTERS

We draw attention towards the matters listed in **Annexure-II "EMPHASIS OF MATTER"**. Our opinion is not modified in respect of these matters.

Information Other than the Financial Statements and Auditors Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises of the information included in the Board's Report and the Annexures to the Board's Report, Report on Corporate Governance and General Shareholder's Information, 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 the 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.



Responsibilities of Management and those charged with Governance 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of "the Act" read with relevant rules issued thereunder.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

The procedures that we conducted and were required to be conducted form part of this report as "**Annexure-III**".

Other Matters

- (a) We did not audit the financial statements/information of 8 branches/ units included in the standalone financial statements of the Company whose financial statements/ financial information reflect total assets of ₹4,44,233.44 lakh as at 31st March 2019 and total revenue of ₹5,18,457.10 lakh for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors. We cannot comment on such figures as the same are audited by other auditors. Our opinion is not qualified in respect of this matter.
- (b) The comparative financial statement of the Company for the year ended March 31, 2018 prepared in accordance with Ind AS, included in these standalone Ind AS financial statements, have been audited by M/s Bhatia & Bhatia, Chartered Accountants, whose audit report dated July 26, 2018 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

(c) Currency Note Press (CNP), Nashik

a) Non-Agriculture Land - Taxes Payable

The unit has not quantified and provided for Non-Agriculture Land- tax payable on Land for the financial year 2018-19 and earlier years.



b) Insurance Policy

The unit has not obtained transit insurance on dispatching bank notes to RBI. It is explained by management that dispatches are done under heavy security and therefore transit insurance is not considered.

(d) Security Printing Press (SPP), Hyderabad

It is observed that the Unit is making efforts to revise the existing BOM (Bill of Material) Standards which were established a very long time back by using figures obtained by averaging previous five years actual data.

(e) Security Paper Mill (SPM), Hoshangabad

The unit is recognizing revenue on "Budgeted Cost" as the unit earns revenue from the manufacturing & supply of security and currency paper mainly to presses of SPMCIL (BNP-Dewas, CNP-Nashik, ISP- Nashik and SPP-Hyderabad). Revenue from transfer sale of goods is recognised when all significant risk and rewards of ownership of goods have been passed to the buyer, usually on delivery of the goods. Revenue is measured at the budgeted cost of manufacturing.

(f) Corporate Office, Delhi

According to Section 149, of Companies Act, 2013, a company must have a minimum two Independent Directors. But according to explanation and information available the post of one Independent Director is vacant since 03.01.2018, which contravenes the provisions of Companies Act.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of "the Act", we give in the **"Annexure-IV"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. In terms of Sub Section (5) of Section 143 of "the Act", we give in the **"Annexure-VI"** a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India
3. As required by Section 143(3) of "the Act", we report that:
 - a) We have sought and, except for the effects/possible effects of matters described in the "Basis for qualified opinion" paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) Except for the effects/possible effects of matters described in the **"Basis for Qualified Opinion"** paragraph, in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - c) The reports on the accounts of the branch offices/units of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
 - d) The Balance Sheet, the statement of Profit and Loss, the statement of changes in equity and its cash flow statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us;
 - e) In our opinion, except for the effects/possible effects of the matters described in the "Basis for qualified opinion" paragraph, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of "the Act", read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - f) As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India,

Section 164(2) of the Companies Act, 2013 is not applicable to the Company;

- g) 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-V"**. Our report expresses a qualified opinion on the adequacy and on the operating effectiveness of the Company's internal financial control over financial reporting.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of "the Act", as amended, as per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Companies Act, 2013 is not applicable to the Government

Companies.

- i) 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, 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 standalone Ind AS financial position in its financial statements – Refer Note 25 to the financial statements;
 - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For Ashwani & Associates

Chartered Accountants

FRN : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

M. No. : 084205

UDIN : 19084205AAAAFX5806

Place : New Delhi

Dated : 30.07.2019



ANNEXURE-I

ANNEXURE TO THE AUDITORS REPORT AS AT 31ST MARCH 2019 BASIS OF QUALIFIED OPINION

1. Corporate Office, Delhi

a) Amounts due / from to Ministry of Finance, Government of India:

The following amounts representing dues from/to Ministry of Finance (MoF) towards liability transferred to SPMCIL on account of Employee benefits need to be reconciled / confirmed:

GL Code	Particulars	Outstanding since	Amount (₹ in lakh)
Due to Ministry of Finance			
13500080	Other Non-Current Liabilities	31.03.2015	696.00
Due from Ministry of Finance			
24500077	PAO / C&C, DEA, MoF, EPF	31.03.2012	901.98
24500078	PAO / C&C, DEA, MoF, GPF	31.03.2012	369.50
24500071	Other Receivables	31.03.2014	8.09

- b) Out of the total amount of ₹56,961.60 lakh recoverable from MoF towards sale of goods, an amount of ₹1,745.43 lakh needs to be reconciled / confirmed.

EMPHASIS OF MATTER

1. As per Note No. 26 to the financial statements, the Balance Sheet and Statement of Profit and Loss, including the statement of Other Comprehensive Income for the year ended March 31, 2018 have been restated in accordance with the Ind AS 08 - "Accounting Policies, Change in Accounting Estimates and Errors" for rectification of errors relating to the year 2017-18. The relevant disclosure are as follows:-

a) Nature of prior period error related to the year 2017-18

Sl. No.	Particulars	Amount (₹ in lakh)
1.	Performance Related Pay not booked	500.00
2.	Price difference not provided	4,485.00
3.	Non-Reversal of Depreciation on Plant & Machinery	814.75
4.	AMC of SAP and other expenses not booked	133.98

b) Impact of correction of above errors on the financial statements for the year 2017-18

1. Performance Related Pay (PRP) of ₹500 lakh not booked:
 - i. Increase in Salary, Wages and Allowances under the head 'Employees Benefit expenses' in 'Profit & Loss Account'.
 - ii. Increase in PRP Payable under the head 'Current Provisions' in 'Balance Sheet'
2. Price Difference of ₹4,485 lakh not provided:
 - i. Decrease in operating revenue under the head 'Revenue' in 'Profit & Loss Account'.
 - ii. Decrease in Trade Receivable- current under the head 'Trade Receivable' in 'Balance Sheet'.

3. Non-Reversal of Depreciation on Plant & Machinery of ₹814.75 lakh:
 - i. Increase in Depreciation on Tangible Assets under the head 'Depreciation' in 'Profit & Loss Account'.
 - ii. Decrease in Written down value of Plant and Machinery under the head 'Property, Plant and Equipment' in 'Balance Sheet'.
4. AMC of SAP and other expenses of ₹133.98 lakh not booked:
 - i. Increase in Repair & Maintenance- Computers & Networks Charges under the head 'Other Expenses' in 'Profit & Loss Account'.
 - ii. Increase in Trade Payables - other than MSME under the head 'Trade Payable-Current' in Balance sheet.
5. Impact of above errors on Deferred Tax Assets, Provision for Tax and Earnings & Diluted Earnings per share:
 - i. Increase in Deferred Tax Assets by ₹3,161.13 lakh, which is on account of rectification of errors included in para nos. 1 to 4 above, together with rectification of errors of wrong inclusion of capital work in progress (₹75.49 crores), land (₹4.75 crores), and wrong omission of Intangible assets (₹2.05 crores),
 - ii. Decline in Provision for Tax by ₹1598 lakh, and
 - iii. Decline in Earnings & Diluted Earnings per share by ₹0.10 per share.

2. As per Note No. 35 to the Financial Statements, balances in the accounts of Sundry Debtors, Sundry Creditors, Advances to Suppliers and Advances from Customers are subject to confirmation.



ANNEXURE-III

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 ability of the Company

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 interim condensed 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.

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.



ANNEXURE-IV

Annexure referred to in paragraph 1 of Our Report of even date to the members of Security Printing and Minting Corporation of India Ltd. for the year ended 31st March 2019

On the basis of such checks, as we considered appropriate, and according to the information and explanations given to us during the course of our audit, we report that:-

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets, except in the case of Currency Note Press, Nashik where out of the total Land cost of ₹59.56 Lakh, details of land amounting to ₹17.03 lakh such as area of land, exact location/boundaries are not available and out of the gross block of Building of ₹3,767.22 lakh, details of building amounting to ₹1,691.31 lakh such as area, building plan and completion certificate are not available.
- (b) The Company has a regular programme of physical verification of the fixed assets, and, no material discrepancies were noticed on such verification.
- (c) The Company has all the original title deeds of immovable properties in its own name, except for the list enclosed in **Appendix-IV(a)**.
2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable, and, the discrepancies noticed on physical verification of inventory were not material.
3. The Company has not granted, during the year, any loans, secured or unsecured, to Companies, firms, limited liability partnerships (LLP) or other parties covered in the register maintained under Section 189 of "the Act".
4. In our opinion and to the best of our information and according to the explanations given to us, the Company has not given any loans, made any investments and provided any securities or guarantee. Accordingly, the provision of sec 185 and 186 of Companies Act, 2013 are not applicable.
5. The Company has not accepted any deposits from the Public. Therefore, the provisions of Clause 3(v) of the order is not applicable to the company.
6. In our opinion and according to the information and explanations given to us, specified accounts and records as prescribed by the Central Government in terms of sub-section (1) of Section 148 of "the Act" have been prima facie made and maintained by the company. However, we have neither carried out, nor are we required to carry out any detailed examination of such accounts and records.
7. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax and other material statutory dues with the appropriate authorities, except for the cases indicated in **Appendix-IV(b)**.
- (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, goods and service tax and other material statutory dues which have not been deposited on account of a dispute, except for the cases indicated in **Appendix-IV(c)**.
8. As per information and explanation given to us, the company has neither taken any loans



or borrowing from a financial institution, government, bank nor it has issued any debentures. Therefore, the provisions of clause 3(vii) are not applicable to the company and accordingly the company has not defaulted in any such repayment.

9. In our opinion, and according to the information and explanations given to us, the company has not raised any money by way of initial public offer or further public offer (Including Debt instruments). There were no borrowings in the nature of term loans outstanding at the beginning of the year or at the end of the year.
10. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have, neither, come across any instance of fraud by the company, or, any fraud on the company by its officers or employees, noticed or reported during the year, nor, have we been informed of such case by the management.
11. In our opinion and according to the information and explanation given to us by the management, as per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Companies Act, 2013 is not applicable

to the Government Companies. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

12. The Company is not a Nidhi Company. Therefore, the provision of clause 3(xii) is not applicable to the Company.
13. In our opinion and according to the information and explanation given to us the transactions with the related parties are in compliance with section 177 of "the Act". The details have been disclosed in financial statement. The detail of transactions entered with the Related parties are also provided in Notes to Accounts (Note No. 32).
14. According to the records of the company examined by us, the Company has not made any preferential allotment of shares during the year.
15. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors, or, persons connected with them.
16. In our opinion, and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Ashwani & Associates

Chartered Accountants

FRN : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

M. No. : 084205

UDIN : 19084205AAAAFX5806

Place : New Delhi
Dated : 30.07.2019

Appendix-IV(a)

Refer Clause 1(c) of the report issued under the Companies (Auditor's Report) Order 2016 report of even date to the members of Security Printing and Minting Corporation of India Ltd. for the year ended 31st March 2019

a) Corporate Office, New Delhi

The Title Deed of Land at Jail Road, "ISP-Nashik" amounting to Re. 1 in the Books of Accounts, is not transferred in the name of the Company.

b) India Government Mint, Noida

According to the information and explanation given to us following immovable properties have not yet been transferred in the name of the company.

- Plot No. 1, Sector -1, Pocket D-2, Noida, U.P-201301
- Sector-27, Noida, U.P-201301.

c) Security Printing Press, Hyderabad

The title deed of immovable properties is held in the name of Govt. of India and not yet registered in the name of SPMCIL.

d) Security Paper Mill, Hoshangabad

The title deeds of immovable properties are still held in the name of the Government of India and not yet registered in the name of the Company. Further, informed that the unit is in possession of approx., 345 acres of land out of which mutation of 230 acres of land in the name of SPMCIL has been done in the Land Revenue records.

e) Currency Note Press, Nashik

According to the information and explanations given to us, proper title deeds of Land of ₹17.03 lakh and Building of ₹1,691.31 lakh in the name of the unit were not produced before us for our verification.

f) India Government Mint, Mumbai

The title deed of the following immovable properties is held in the name of Govt. of India and not yet registered in the name of SPMCIL.

- CS No. 228 and 229, Fort, Mumbai, Maharashtra.
- CS No. 399, Tardeo, Mumbai, Maharashtra.

There are encroachments in the Parel Property as detailed below:

- Behind building No.09, Parel Mint Colony, there is an encroached area named Sairam Adarsh Seva Mandal covering approximately 500 sq. meters.
- The north corner of Mint Colony, approximately 1000 sq. meters, is encroached by the Ashram of Mahant Godavari Giriji and his followers.

g) India Government Mint, Hyderabad

Sl. No.	Immovable Property	Location	Area (in acres)	Gross book Value as at 31 st March 2019 (₹)	Net book value as at 31 st March 2019 (₹)	Remarks
1.	Land	IDA Phase II, Cherlapally, Hyderabad, Telangana	78.82	343.79 Lakh	343.79 Lakh	Property is held in the name of the President of India.

h) India Government Mint, Kolkata

Sl. No.	Particulars of Property	Title deed in the name of
1.	Land (Lease Hold)	President of India
2.	Factory Building	President of India



Appendix-IV(b)

Refer Clause 7(a) of the report of even date issued under the Companies (Auditors Report) Order 2016 to the members of Security Printing and Minting Corporation of India Ltd. for the year ended 31st March 2019

b) India Government Mint, Noida

Sl. No.	Nature of Statute	Nature of Dues	Amount (₹ in lakh)	Period for which amount relates (A.Y.)
1.	UP VAT Act, 2008	Sales Tax	319.96	2008-09
2.	UP VAT Act, 2008	Sales Tax	523.03	2009-10
3.	UP VAT Act, 2008	Sales Tax	498.56	2010-11
4.	UP VAT Act, 2008	Sales Tax	440.70	2011-12
5.	UP VAT Act, 2008	Sales Tax	619.46	2012-13
6.	UP VAT Act, 2008	Sales Tax	394.37	2013-14
7.	UP VAT Act, 2008	Sales Tax	437.01	2014-15
8.	UP VAT Act, 2008	Sales Tax	6.01	2017-18
	Total		3,239.12	

b) SPMCIL

Sl. No.	Nature of Statute	Nature of Dues	Amount (₹ in Lakh)	Period to which amount relates (F.Y.)
1.	Income Tax Act	Tax Deducted at Source	17.89	2018-19
2.	Income Tax Act	Tax Deducted at Source	0.99	2017-18
3.	Income Tax Act	Tax Deducted at Source	2.18	2016-17
4.	Income Tax Act	Tax Deducted at Source	15.13	Prior Years
	Total		36.19	

Appendix-IV(c)

Refer Clause 7(b) of the report issued under the Companies (Auditor's Report) Order 2016 report of even date to the members of Security Printing and Minting Corporation of India Ltd. for the year ended 31st March 2019

a) India Security Press, Nashik

- (i) Service Tax on Amounts paid to CPWD/Central Railway on Reverse Mechanism basis (for the year 2012-13 to 2014-15) and Sales tax/CST that has been disputed despite the tribunal decisions against the company.
- (ii) The sales tax dues amounting ₹67,722.45 Lakh, NA Tax of ₹286.46 Lakh and Municipal Tax due to Nashik Municipal Corporation for property tax of ₹303.09 Lakh have been provided for in the books but not deposited by the Company on account of dispute.

(iii) Other Service Tax Liability under Dispute:

Sl. No.	Nature of Statute	Nature of Dues	Amount (₹ in lakh)	Period for which it relates
1.	Service Tax	Service Tax on amounts paid to CPWD / Reverse Charge Mechanism	44.74	2012-13 2013-14
2.	Service Tax	Service Tax on amounts paid to CPWD / Reverse Charge Mechanism	11.34	2014-15
3.	Service Tax	Service Tax on amounts paid to CPWD/ Reverse Charge Mechanism	13.20	2014-15

b) Security Paper Mill, Hoshangabad

Sl. No.	Nature of Dues	Amount (in ₹ Lakh)	Forum where dispute is pending	Year
1.	VAT, CST and Entry Tax	4228.53	Appellate Tribunal (Commercial Tax)	2006-07 to 2009-10, 2010-11, 2011-12, 2012-13, 2014-15, 2015-16 & 2016-17 & 2017-18
2.	VAT, CST and Entry Tax	1,335.81	Additional Commissioner, Commercial Tax, Bhopal	2013-14, 2014-15 and 2015-16
3.	Service Tax	225.87	CESTAT, New Delhi	2012-13 to June 2016
4.	Service Tax	27.90	Dy. Commissioner CGST & Central Excise, Bhopal-IV	June 2016 to July 2017

c) Currency Note Press, Nashik

Name of the Statute	Nature of the dues	Amount of tax (demand exclusive of interest) (in ₹ Lakh)	Penalty (in ₹ lakh)	Paid amount (in ₹ Lakh)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Service Tax	Nil	6.96	0.70	July-2012 to March 2015	CESTAT, Mumbai	Hearing on 01.05.2019



Name of the Statute	Nature of the dues	Amount of tax (demand exclusive of interest) (in ₹ Lakh)	Penalty (in ₹ lakh)	Paid amount (in ₹ Lakh)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Service Tax	2.85	2.95	0.44	April 2014 to March 2015	CESTAT, Mumbai	Order dated 04.03.2017 paid on 28.04.2017 Last hearing date 08.01.2019
Finance Act, 1994	Service Tax	19.53	19.63	2.93	July-2012 to March 2014	CESTAT, Mumbai	Order dated 04.03.2016 paid on 22.04.2016 Last Hearing date 08.01.2019

d) India Government Mint, Kolkata

Nature of the dues	Amount (in ₹ Lakh)	Period	Forum where dispute is pending
VAT/CST	16.79	2005-06 to 2009-10	West Bengal Taxation Tribunal
VAT	4.24	2006-07	West Bengal Commercial Tax
VAT	16.73	2007-08	
CST	58.85	2007-08	
CST	2.41	2004-05	West Bengal Taxation Tribunal
CST	0.85	1998-99	
CST	31.61	2011-12	Sr. JCT
VAT	437.02	2011-12	
Excise	96.92	Aug 08 to Mar 13	Customs Excise Service Tax Appellate Tribunal
Excise	8.14	Apr 13 to Dec 13	
Excise	17.94	Jan 14 to Sep 14	
Excise	73.63	Aug 08 to Sep 14	
Additional Central Excise Duty	9.03 and (Penalty) 4.92	Oct 14 to June 15	Assistant Commissioner, Bhawanipore Division, Kolkata South, CGST & CX Commissioner, Kolkata
West Bengal Excise Duty	8.62	Jul 15 to Dec 15	Assistant Commissioner, Bhawanipore Division, Kolkata South, CGST & CX Commissioner, Kolkata
West Bengal Tax on Entry of Goods	4.20 (Payment for demand in Form No. 27 dated 15.03.2017)	01.04.15 to 31.03.16	Office of the Joint Commissioner, Commercial Taxes, Alipore Charge
Central Excise Duty	-	Jan 16 to Jun 17	Assistant Commissioner, Bhawanipore Division, Kolkata South, CGST & CX Commissioner, Kolkata



e) Bank Note Press, Dewas

Sl. No	Nature of Tax	Amount (₹ in Lakh)	Forum where dispute is pending
1.	Commercial Tax	3457.78	Supreme Court of India

f) India Government Mint, Mumbai

F.Y. 2010-11	Appeal Filed on 16.04.2016			Forum where case is pending
	Demand amount (₹ in Lakh)	Amount Paid (₹ in Lakh)	Balance (₹ in Lakh)	
VAT*	33.63	11.97	21.67	Jt. Commissioner of Sales tax Appeal, Mumbai
CST	34.96	13.53	21.42	Jt. Commissioner of Sales tax Appeal, Mumbai
Total	68.59	25.50	43.09	

F.Y. 2011-12	Appeal Filed on 27.04.2016			Forum where case is pending
	Demand Amount (₹ in Lakh)	Amount Paid (₹ in Lakh)	Balance (₹ in Lakh)	
VAT	27.29	0.50	26.79	Jt. Commissioner of sales tax Appeal, Mumbai
CST	967.19	0.88	966.31	Jt. Commissioner of sales tax Appeal, Mumbai
Total	994.48	1.38	993.10	

F.Y. 2012-13	Appeal Filed on 16.04.2016			Forum where case is pending
	Demand Amount (₹ in Lakh)	Amount Paid (₹ in Lakh)	Balance (₹ in Lakh)	
VAT	40.85	5.00	35.85	Jt. Commissioner of sales tax Appeal, Mumbai
CST	1,443.40	6.00	1,437.40	Jt. Commissioner of sales tax Appeal, Mumbai
Total	1,484.25	11.00	1,473.25	

F.Y. 2013-14	Appeal Filed on 02.06.2018			Forum where case is pending
	Demand Amount (₹ in Lakh)	Amount Paid (₹ in Lakh)	Balance (₹ in Lakh)	
VAT	21.08	0.94	20.14	Jt. Commissioner of sales tax Appeal, Mumbai
CST	24.93	1.48	23.45	Jt. Commissioner of sales tax Appeal, Mumbai
Total	46.01	2.42	43.59	



ANNEXURE-V

Annexure referred to in paragraph 3(g) of our report even date to the members of Security Printing and Minting Corporation of India Ltd. for the year ended 31st March 2019

Report on the Internal Financial Controls 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 Security Printing & Minting Corporation of India Limited ("the company") as of March 31, 2019, in conjunction with our audit of the standalone Ind AS financial statements of financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company's management 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 the 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 Act".

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10)

of "the Act", to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 qualified audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

A Company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management overriding 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We did not audit the internal controls over financial reporting of 8 branches/units included in the standalone internal financial controls over financial reporting of the Company for the year ended as on 31st March 2019. The internal financial controls

over financial reporting of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors. We cannot comment on such reports as the same are audited by other auditors. Our opinion is not qualified in respect of this matter.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2019:

- 1. Currency Note Press, Nashik/Corporate Office, New Delhi** - The unit did not have effective internal control in HR module of SAP. Management installed Biometric Attendance Management System during the year 2018-19 to record the attendance bio-metrically into SAP. However, it is observed that attendance and overtime working was not accounted automatically under SAP and was processed manually.
- 2. India Government Mint, Noida** - According to information and explanation provided to us, no risk mitigation committee was formed to identify the areas of risk, assessment of risk, formulate measures to control or reduce the risk and steps to have effective control.
- 3. Security Printing Press, Hyderabad** - Following risk in internal financial controls are identified:
 - a) Upon test check, it is revealed that the Purchase Order quantity can exceed 150% of the purchase requisition quantity (considering repeat order clause) and SAP is not restricting the specified quantity.
 - b) User within Human Resource department (HRD) are authorised to edit/create the employee master in SAP on the basis of appointment letter/ service book of the employee.



- c) SPMCIL portal for applying and approval of leaves is in place but is not used by the employees for marking their leaves. Further, it is also not integrated with SAP. Leaves are manually applied and approved.
- d) Attendance Management Software (AMS) and card swiping device is in place in the unit for recording attendance. Leave records are maintained manually by the HRD and updated manually in SAP. Salary of workmen is processed on the basis of manual attendance register and AMS is not integrated with SAP.

4. Security Paper Mill, Hoshangabad

- a) Unit is not having maker-checker concept while posting any entries in their SAP-ERP system and the entries are passed by single authorization only. Hence, there is possibility of mistakes/errors in financial statements which may remain undetected.
- b) Unit is not generating the debit notes issued to supplier for items returned/rejected/excess claim etc., through the SAP-ERP system and the same are generated manually. The respective invoices are recorded in SAP-ERP system net of such debit notes to give effect to the debit notes. Hence, the debit notes so issued are maintained out of the SAP-ERP System.

5. India Government Mint, Hyderabad

Finance Module of the ERP software allows

the users of a profit center to pass manual entries affecting other profit centers, leading to unintended errors (tagging wrong profit centers). This indicates inappropriate assignment of user rights and controls in the ERP software.

A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, 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 of March 31, 2019, 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019, Ind AS financial statements of the company, and these material weaknesses do not affect our opinion on the Ind AS financial statements of the company.

For Ashwani & Associates

Chartered Accountants

FRN : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

M. No. : 084205

UDIN : 19084205AAAAFX5806

Place : New Delhi
Dated : 30.07.2019

**ANNEXURE-VI**

Statement on the Directions/Sub-Directions issued by the Comptroller & Auditor General of India under sub-section 5 of section 143 of the Companies Act, 2013, examined by the Statutory Auditors during the course of audit of annual accounts of Security Printing & Minting Corporation of India Limited for the year ending 31st March 2019

Compliance Certificate

We have conducted the audit of the accounts of Security Printing and Minting Corporation of India Limited for the year ended March 31, 2019 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us. Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of the company is as per **Annexure VI(a)**.

For Ashwani & Associates

Chartered Accountants

FRN : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

M. No.: 084205

UDIN : 19084205AAAAFX5806

Place : New Delhi

Dated : 30.07.2019



ANNEXURE-VI(a)

Statement on the Directions/ Sub Directions issued by the Comptroller & Auditor General of India under sub-section 5 of section 143 of the Companies Act, 2013, examined by the Statutory Auditors during the course of audit of annual accounts of Security Printing & Minting Corporation of India Limited for the year ending 31st March 2019

Sl. No.	Particulars	Auditor's Comment
1.	Whether the Company has system in place to process all the accounting transaction through IT? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financials implication, if any, may be stated.	<p>As per the information and explanation provided to us, the Company has a system in place to process all the accounting transactions through IT system except as below: -</p> <p>(a) There is no effective internal control in HR module of SAP. Management has installed Biometric Attendance Management System during the year 2018-19 to record the attendance bio-metrically into SAP. However, it is observed that attendance and overtime working was not accounted automatically under SAP and was processed manually.</p> <p>(b) Debit notes issued to supplier for items returned/rejected/ excess claim etc., through the SAP-ERP system and the same are generated manually. The respective invoices are recorded in SAP-ERP system net of such debit notes to give effect to the debit notes. Hence, the debit notes so issued are maintained out of the SAP-ERP System.</p> <p>(c) Finance Module of the ERP software allows the users of a profit centre to pass manual entries affecting other profit centres, leading to unintended errors (tagging wrong profit centres). This indicates inappropriate assignment of user rights and controls in the ERP software.</p> <p>(d) In Kolkata unit, inventory valuation (including FG, SFG and scrap) has been carried out manually and integrated in SAP through manual entries.</p> <p>The financial implications of the above disclosures cannot be quantified.</p>
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	The Company has not availed any loan during the year. Therefore, financial impact of restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan is not applicable.
3	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its item and conditions? List the cases of deviation.	The Company does not have any funds which have been received or are receivable for specific schemes from Central/ State agencies.

For Ashwani & Associates

Chartered Accountants

FRN : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

M. No.: 084205

UDIN : 19084205AAAAFX5806

Place : New Delhi

Dated : 30.07.2019

SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

Balance Sheet as at 31st March 2019

(All amount in ₹ lakhs, unless otherwise stated)

Sl. No.	Particulars	Note No.	Figures as at 31 st March 2019	Figures as at 31 st March 2018
I.	ASSETS			
(1)	Non-Current Assets			
	(a) Property, Plant and Equipment	3	1,32,623.54	1,28,664.28
	(b) Capital Work-in-Progress	3	1,178.86	7,549.04
	(c) Other Intangible Assets	4	141.81	205.41
	(d) Financial Assets			
	(i) Investments	5 (i)	40,000.00	40,000.00
	(ii) Trade Receivables	5 (ii)	-	-
	(iii) Loans	5 (iii)	765.42	842.70
	(iv) Others	5 (iv)	5,460.65	5,109.29
	(e) Deferred Tax Assets (net)	6	94,435.66	87,313.58
	(f) Other Non-Current Assets	7	1,779.41	1,689.81
(2)	Current Assets			
	(a) Inventories	8	1,58,833.87	2,41,661.78
	(b) Financial Assets			
	(i) Investments	5(i)	-	9,009.28
	(ii) Trade Receivables	5(ii)	1,72,533.14	1,08,076.16
	(iii) Cash and Cash Equivalents	5(v)(a)	12,291.81	2,856.51
	(iv) Bank Balances other than (iii) above	5(v)(b)	1,44,050.00	48,207.19
	(v) Loans	5 (iii)	147.58	261.36
	(vi) Others	5 (iv)	9,853.78	10,862.31
	(c) Current Tax Assets (Net)	9 (a)	-	5,478.75
	(d) Other Current Assets	10	23,170.98	31,808.17
	Total Assets		7,97,266.49	7,29,595.61
II.	EQUITY AND LIABILITIES			
(1)	Equity			
	(a) Equity Share Capital	11	1,06,424.10	1,06,424.10
	(b) Other Equity			
	- Reserve & Surplus	12	3,30,531.67	3,02,144.36
(2)	LIABILITIES			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13 (i)	-	-
	(ii) Trade Payables	13 (ii)	-	-
	(iii) Other Financial Liabilities	13 (iii)	21,013.70	22,163.27
	(b) Provisions	14 (i)	5.00	5.00
	(c) Employees Benefit Obligations	15 (i)	1,47,769.30	1,37,833.43
	(d) Deferred Tax Liabilities (Net)	6	-	-
	(e) Other Non-Current Liabilities	16	11,336.16	12,473.26
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13 (i)	-	-
	(ii) Trade Payables	13 (ii)	27,069.54	23,774.87
	(iii) Other Financial Liabilities	13 (iii)	-	-
	(b) Other Current Liabilities	17	47,138.10	34,034.69
	(c) Provisions	14 (ii)	84,901.66	78,944.07
	(d) Employees Benefit Obligations	15 (ii)	18,095.07	11,798.55
	(e) Current Tax Liabilities (Net of Advance tax)	9 (b)	2,982.18	-
	Total Equity and Liabilities		7,97,266.49	7,29,595.61

SIGNIFICANT ACCOUNTING POLICIES

1&2

Notes referred to above form an integral part of the Balance Sheet and should be read in conjunction therewith.

As per our report of even date attached.

For and on behalf of

Ashwani & Associates

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

Membership Number: 084205

Date: 19.06.2019

Place: New Delhi

On behalf of Security Printing and Minting Corporation of India Limited

Sd/-

(Sachin Agarwal)

Company Secretary

(PAN: ADRPA9630Q)

Sd/-

(Ajay Agarwal)

Director (Finance) & CFO

(DIN : 06778079)

Sd/-

(Tripti P. Ghosh)

Chairman and Managing Director

(DIN : 08123112)



SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

Statement of Profit and Loss for the year ended 31st March 2019

(All amount in ₹ lakhs, unless otherwise stated)

Sl. No.	Particulars	Note No.	For the year ended 31 st March 2019	For the year ended 31 st March 2018
I	Revenue From Operations	18	5,71,133.56	4,40,230.01
II	Other Income	19	11,388.81	19,674.35
III	Total Income (I+II)		5,82,522.37	4,59,904.35
IV	EXPENSES			
	Cost of Materials Consumed	20	2,29,355.86	2,12,490.07
	Purchases of Stock-in-Trade		-	-
	Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	21	41,629.79	(21,342.33)
	Employee Benefits Expense	22	1,27,262.91	1,26,489.85
	Finance Costs	23	-	297.36
	Depreciation and Amortization Expense	3 & 4	12,841.74	13,412.35
	Other Expenses	24	89,913.96	71,496.33
	Total Expenses (IV)		5,01,004.25	4,02,843.63
V	Profit/(loss) before Exceptional Items and Tax (III-IV)		81,518.12	57,060.73
VI	Add: Exceptional Items		-	-
VII	Profit/(loss) Before Tax (V-VI)		81,518.12	57,060.73
VIII	Tax Expense:			
	(1) Current Tax			
	(a) Tax for Current Year		34,031.00	15,428.00
	(b) Tax for Earlier Years		2,023.51	-
	(2) Deferred Tax		(7,323.24)	(20,338.16)
	(3) Mat Credit Entitlement		-	-
IX	Profit / (Loss) for the Year from Continuing Operations (VII-VIII)		52,786.86	61,970.89
X	Profit/(loss) from Discontinued Operations		-	-
XI	Tax Expense of Discontinued Operations		-	-
XII	Profit/(loss) from Discontinued Operations (After Tax) (X-XI)		-	-
XIII	Profit/(loss) for the Year (IX+XII)		52,786.86	61,970.89
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		575.66	4,942.59
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(201.16)	(1,710.63)
			374.50	3,231.96
	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		-	-
			-	-
XV	Total Comprehensive Income for the Period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the year)		53,161.36	65,202.85
XVI	Earnings per Share			
(i)	Basic Earnings per Share of ₹10/- Each		5.00	5.65
(ii)	Diluted Earnings per Share of ₹10/- Each		5.00	5.65

Notes referred to above form an integral part of the Balance Sheet and should be read in conjunction therewith. .

As per our report of even date attached.

For and on behalf of

Ashwani & Associates

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

Membership Number: 084205

Date: 19.06.2019

Place: New Delhi

On behalf of Security Printing and Minting Corporation of India Limited

Sd/-

(Sachin Agarwal)

Company Secretary

(PAN: ADRPA9630Q)

Sd/-

(Ajay Agarwal)

Director (Finance) & CFO

(DIN : 06778079)

Sd/-

(Tripti P. Ghosh)

Chairman and Managing Director

(DIN : 08123112)

SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

Cash Flow Statement for the year ended 31st March 2019

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	31 st March 2019	31 st March 2018
A Cash Flow from Operating Activities		
Profit before Tax	81,518.12	57,060.73
<i>Add:</i>		
Adjustment to reconcile Profit before Tax to Net Cash Flow		
Depreciation and Amortisations of Property Plant and Equipment	12,841.74	13,412.35
Interest Expenses	-	297.36
Loss /(Profit) on Sale of Property, Plant and Equipment	(16.50)	(113.57)
Interest Income on FDR	(6,640.38)	(5,141.81)
Interest Income on Income Tax Refund	(773.28)	-
Dividend from Mutual Funds	(23.18)	(454.88)
Provision Created Net of Written Off	28,574.42	-
Other Adjustments	575.66	-
Total	34,538.48	7,999.45
Operating Profit Before Working Capital Changes	c=a+b	65,060.18
<i>Adjustment for</i>		
(Increase)/ Decrease in Trade Receivables	(64,456.98)	65,978.11
(Increase)/ Decrease in Inventories	82,827.91	(62,032.04)
(Increase)/ Decrease in Loans & Advances	191.05	101.66
(Increase)/ Decrease in Other Assets	9,294.37	(7,749.59)
Increase/ (Decrease) in Trade Payable	3,294.68	(18,301.83)
Increase/ (Decrease) in other Current Liabilities	19,399.94	7,729.10
Increase/(Decrease) in Long Term Provisions	-	2,432.01
Increase/ (Decrease) in Short Term provisions	(22,616.83)	25,980.21
Increase/ (Decrease) in other Non-Current Liabilities	7,649.19	1,109.36
(Increase)/ Decrease in other Non-Current Assets	(89.59)	55.72
Total	d	15,302.71
Cash Generated from Operations	e=c+d	80,362.89
Less: Tax Paid (Net of Refund)	f	37,531.86
Net Cash Flow from Operating Activities	g=(e-f)	42,831.03
B Cash Flow from Investing Activities		
Interest Income	6,640.38	5,141.81
Dividend Income	23.18	454.88
Sale of Property , Plant & Equipments	1,302.76	115.32
Purchase and Adjustment in Property, Plant and Equipment (Including CWIP)	(11,653.48)	(11,785.81)
(Increase)/ Decrease in Current Investments	9,009.28	1,099.27
Net Cash Flow from Investing Activities	h	(4,974.53)
C Cash Flow from Financing Activities		
Issuance of Share Capital	-	-
Adjustment in Retained Earnings	-	(8,453.38)
Dividend Paid to Equity Shareholders	(20,487.15)	(22,764.00)
Dividend Distribution Tax	(4,286.90)	(4,634.28)
Buy Back of Share Capital	-	(45,525.86)
Tax paid on Buy Back of Shares	-	(7,775.49)
Change in Capital Reserve Interest Paid	-	(297.36)
Net Cash Flow from Financing Activities	i	(89,450.37)
Cash & Cash Equivalent at the Beginning of the Year	j	10,265.58
Net Increase/(Decrease) in Cash or Cash Equivalent	k=g+h+i	(51,593.88)
Cash & Cash Equivalent at the end of the Year	1,56,341.81	51,063.70

Notes referred to above form an integral part of the Balance Sheet and should be read in conjunction therewith. .

As per our report of even date attached.

For and on behalf of

Ashwani & Associates

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

Membership Number: 084205

Date: 19.06.2019

Place: New Delhi

On behalf of Security Printing and Minting Corporation of India Limited

Sd/-

(Sachin Agarwal)

Company Secretary

(PAN: ADRPA9630Q)

Sd/-

(Ajay Agarwal)

Director (Finance) & CFO

(DIN : 06778079)

Sd/-

(Tripti P. Ghosh)

Chairman and Managing Director

(DIN : 08123112)



SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

Statement of Changes in Equity for the year ended 31st March 2019

A. Equity Share Capital

(Amount in ₹ lakhs, unless otherwise stated)

Balance as at April 1, 2017	Change During the year	Balance as at March 31, 2018
1,18,249.00	11,824.90	1,06,424.10
Balance as at April 1, 2018	Change During the year	Balance as at March 31, 2019
1,06,424.10	-	1,06,424.10

B. Other Equity

Particulars	Other Equity					Total
	Reserve and Surplus				Other Comprehensive Income (OCI)	
	Capital Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve		
Balance as on 1 st April 2017	33,819.95	20,008.52	2,65,676.47	-	(5,235.06)	3,14,269.89
Net Profit for the Year 2017-18	-	-	61,970.89	-	-	61,970.89
Items of Other Comprehensive Income Recognized Directly in Retained Earnings.	-	-	-	-	3,231.96	3,231.96
Prior Period Items	-	-	106.34	-	-	106.34
Disputed Claim	-	-	(9,533.97)	-	-	(9,533.97)
Depreciation	-	-	974.25	-	-	974.25
Dividend Paid for the Previous Year	-	-	(22,764.00)	-	-	(22,764.00)
Dividend Distribution Tax	-	-	(4,634.28)	-	-	(4,634.28)
Buy Back of Shares	-	-	(7,775.49)	-	-	(7,775.49)
Transfer to General Reserve for Buy Back of Shares	-	-	(25,517.34)	-	-	(25,517.34)
Transfer from Retained Earnings for Buy Back of Shares	-	25,517.34	-	-	-	25,517.34
Transfer to Capital Redemption Reserve	-	(11,824.90)	-	11,824.90	-	-
10% Equity Shares Bought Back During the Year	-	(33,700.96)	-	-	-	(33,700.96)
Balance as on 31 st March, 2018	33,819.95	-	2,58,502.61	11,824.90	(2,003.10)	3,02,144.37
Net Profit for the Year 2018-19	-	-	52,786.86	-	-	52,786.86
Items of Other Comprehensive Income Recognized Directly in Retained Earnings.	-	-	-	-	374.50	374.50
Dividend Distribution Tax	-	-	(4,286.90)	-	-	(4,286.90)
Dividend Paid for the Previous Year	-	-	(20,487.15)	-	-	(20,487.15)
Balance as on 31 st March, 2019	33,819.95	-	2,86,515.42	11,824.90	(1,628.60)	3,30,531.67

As per our report of even date attached.

For and on behalf of

Ashwani & Associates

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

Membership Number: 084205

Date: 19.06.2019

Place: New Delhi

On behalf of Security Printing and Minting Corporation of India Limited

Sd/-

(Sachin Agarwal)

Company Secretary

(PAN: ADRPA9630Q)

Sd/-

(Ajay Agarwal)

Director (Finance) & CFO

(DIN : 06778079)

Sd/-

(Tripti P. Ghosh)

Chairman and Managing Director

(DIN : 08123112)



SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note 1 Company Overview

Security Printing and Minting Corporation of India Limited ('the Company') was incorporated in India on January 13th, 2006 under the Companies Act, 1956 with its Registered Office at New Delhi. The Company took over nine units which includes four mints, four presses and one paper mill which were earlier functioning under the administrative control of Ministry of Finance.

This company is engaged in manufacture of security paper, minting of coins, printing of currency notes, non-judicial stamp papers, postage stamps, travel documents etc. The Company is a (wholly owned) schedule 'A' company of the Government of India. The Company has the following units/branches:

- i) India Government Mint, Noida
- ii) India Government Mint, Mumbai
- iii) India Government Mint, Kolkata
- iv) India Government Mint, Hyderabad
- v) Security Printing Press, Hyderabad
- vi) India Security Press, Nashik
- vii) Bank Note Press, Dewas
- viii) Currency Note Press, Nashik
- ix) Security Paper Mill, Hoshangabad

Note 2 Significant Accounting Policies

2.1 Basis of Preparation and Presentation of Financial Statement

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, as per the provisions of the Companies Act, 2013 ('Act') (to the extent notified). 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 are consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing

accounting standard requires a change in the accounting policy hitherto in use.

Upto the year ended 31st March 2016, the company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

2.2 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires 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. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are disclosed at appropriate places.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.3 Current versus 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 realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised 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.

Trade Receivables which are expected to be realised within 12 months from the reporting date are classified as current. Outstanding more than 12 months are shown as non current only unless efforts for its recovery have been made and it is likely that payment shall be received within 12 months from the reporting date.

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,

A payable has been classified as Trade Payable if it is in respect of the amount due on account of goods purchased or services received in the normal course of business.

Trade payables which are expected to be settled within 12 months from the reporting date are shown as current.

The Company classifies all other liabilities as non-current.

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

2.4 Summary of Significant Accounting Policies

2.4.1 Revenue Recognition

The Company earns revenue mainly from printing of currency notes, non-judicial stamp papers, postal stamps, travel documents and minting of circulating coins for Government of India.

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of goods have been passed to the buyer, usually on delivery of the goods. Revenue is measured at the fair value of consideration received or receivable.

Amount disclosed as revenue are net of GST.

In case of Coins and Bank Notes, revenue is recognised on the basis of rates approved by the Ministry of Finance as on year to year basis.

The differences, if any, between the billing rates of Coins and Bank Notes and the rates finalized by Chief Advisor Cost, Ministry of Finance are accounted for in the financial year in which such rates are approved by Ministry of Finance.

Revenue from other products (Postal Stationery, Passport and Non Judicial Stamp Paper) is accounted for on the basis of sales invoices raised by the company.

Revenue from rendering of services is recognized when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity. Revenue from job work is recognized in the same period in which services are rendered.

Dividend income is recognized when the shareholder's right to receive the payment is established which is generally after the shareholders approval.

Liquidated damages recovered from the vendors are appropriated towards the income on completion of the contract.

2.4.2 Employee Benefits

a) Short-term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These



are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c) Post-employment obligations

The Company operates the following post-employment schemes:

- (i) Defined benefit plans such as gratuity, pension, post-employment medical plans; and
- (ii) Defined contribution plans such as provident fund.

(i) Defined Benefit Plans

The Company's gratuity scheme is a defined benefit plan. A defined benefit plan is a post-employment benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits that employee have earned in return for their services in the current and prior periods. As per the order of the Government of India transferring the assets and liabilities of Units to the Company, most of the employees of the units were transferred on deemed deputation for a period of 2 years from the date of transfer i.e. 10/02/2006 which was further extended for another 12 months. A notification was issued by the Government of India regarding absorption of employees in the company. Options were exercised and Government of India accepted absorption of employees in the company on 29.05.2009 but

w.e.f. 01.11.2008.

Those employees who decided to remain with Government of India continue to work in the company till they are redeployed by Government of India. Company has to bear their salary and wages. The provisions for pensionary charges (which includes Gratuity) and Leave salary contribution in respect of these employees and for those holding ex cadre / in cadre posts have been made in accordance with the Government Rules.

Those employees who decided to join the company had two options, either opt for "Combined Pension" or "Pro Rata Pension". Combined pension optees are eligible to get their pension from the SPMCIL Pension Trust constituted by Government of India at the time of their superannuation from company. Government of India shall contribute for the past services rendered and company shall contribute for the period they will serve the company. Manner and amount of contribution shall be governed by Rule 37-A of Central Civil Services (Pension) Rules. However, the company is making provision for pensionary charges of these employees as per the actuarial valuation in accordance with Ind AS. Contribution by Government to the company in subsequent years will be accounted for in the year of receipt.

(a) Gratuity

Gratuity is a post employment defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the Balance Sheet date. The Company's liability is actuarially determined at the end of each year. Actuarial gains/ losses through re-measurement are recognised in other comprehensive income.

(b) Pension and Gratuity Obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of



plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

These are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(c) Post-employment Medical Obligations

Liability in respect of Post-Retirement Medical Benefits, a defined benefit plan, is being provided as per actuarial valuation. The difference between liability balance and accrued liability at the end of the year based on actuarial valuation is charged to other comprehensive income.

(d) Bonus Plans

The company recognises a provision where contractually obliged or where there is a

past practice that has created a constructive obligation.

(ii) Defined Contribution Plans

The company's provident fund scheme is a defined contribution plan. A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions and will have no obligation to pay further amounts. Obligation for contributions to defined contribution plans are recognised as employees benefit expenses in the statement of Profit and Loss when they are due.

2.4.3 Taxes

a) Current Tax

The current tax expense for the period is determined as the amount of tax payable in respect of taxable income for the period, based on the applicable income tax rates.

Current tax relating to items recognised in other comprehensive income or equity is recognised in other comprehensive income or equity, respectively.

b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

Deferred tax relating to items recognised in other comprehensive income or equity is recognised in other comprehensive income or equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

2.4.4 Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of Property, Plant and Equipment are stated at historical cost less depreciation and impairment if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items until they are ready for use. 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. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which these are incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Mobile phone instruments purchased by the staff as per the policy of the company and reimbursed by the company are not capitalized but charged to the revenue.

2.4.5 Depreciation Methods / Estimated Useful Lives and Residual Value

a) Tangible Assets

Depreciation is provided on prorata basis on Straight Line Method over the estimated useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of the assets where the useful life is different based upon the technical evaluation done by the management. The estimates of the useful life of assets are as follows:-

Assets	Useful life
--------	-------------

Lease hold land	Over the period of lease
Building	60 Years
Factory Building	30 Years
Plant & Machinery	15 years (Single Shift), 10 years (Double Shift)
Furniture & Fixture	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years
Others	10 years
Assets costing less than ₹5000	The year of purchase

The assets residual values and useful life of assets are reviewed by the management at the end of each reporting period. The asset carrying amount is written down to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

b) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that these are available for use.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives in the manner as prescribed in Schedule II of the Companies Act 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II of the Companies Act 2013 are used:

Computer software costing less than ₹ 1 lakh	100% in the year of purchase
Computer software costing more than ₹1 lakh (where the useful life is less than or equal to one year)	100% in the year of purchase
Computer software costing more than ₹1 lakh (in other cases)	33.33% on SLM
Assets costing less than ₹5000	100% in the year of purchase



2.4.6 Inventories

Inventories are valued at the lower of Cost or Net Realisable Value. Cost incurred in bringing each product to its present location & conditions are accounted as follow:-

- a) Raw Material, Work in Progress and Consumable Stores are valued at cost (Weighted average cost basis).
- b) Finished goods are valued at lower of the cost or net realizable value.
- c) Scraps are valued at net realizable value.
- d) Slow moving / obsolete inventories have been valued at the Cost or at net realizable value.

2.4.7 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liabilities are disclosed in respect of possible obligations that have risen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

A contingent asset is neither recognised nor disclosed.

2.4.8 Foreign Currency Transactions

Foreign currency denominated monetary transactions are recorded at the exchange rates prevailing on the date of respective transactions. Realized gains and losses on foreign currency transactions during the year are recognised in Profit and Loss Account.

Foreign-currency denominated monetary assets and liabilities remaining unsettled at the Balance

Sheet date are translated at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss

2.4.9 Financial Instruments

a) Component of Financial Instruments

- (i) Financial Assets includes, in particulars, cash and cash equivalents, trade receivables, other current receivables and callable security deposits.
- (ii) Financial Liabilities includes, in particulars, borrowings, trade payables and other current payables.

b) Initial Recognitions

The company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All the financial assets and financial liabilities are recognised at fair value, which represents the transaction cost at the date of transaction.

c) Subsequent Recognition & Impairment

Subsequent recognition of financial assets and financial liabilities are at fair value, if the carrying amount is a reasonable approximation of the fair value it is maintained at that value. Any diminution / impairment in value is recognised in statement of profit and loss as impairment gain /loss.

d) Derecognition of Financial Assets and Financial Liabilities

A financial assets is derecognised when the contractual rights to the cash flow is realised or forfeited. The financial liability is derecognised when the underlying obligation relating to the liability is fulfilled, terminated or extinguished.

2.4.10 Investment

a) In Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require



unanimous consent of the parties sharing control.

The investment in joint venture is recognised at Cost.

b) Other Investments

Investments in mutual funds are classified at fair value through the Statement of Profit & Loss Account.

2.4.11 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4.12 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.4.13 Cash Flow Statement

Cash Flow Statement is reported using the indirect method as per Ind AS 07, Statement of Cash Flow.

2.4.14 Cash Dividend to Equity Holders

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.4.15 Earnings per Share

Basic EPS amounts are calculated by dividing the

profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

2.4.16 Leases

Lease payments under an operating lease are recognised as an expense in the profit and loss account on accrual basis.

2.4.17 Non-current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. These are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and their related liabilities are presented separately in the balance sheet, if any. Non-current assets are not depreciated or amortised while they are classified as held for sale.

2.4.18 Impairment of Assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Note 3 Property, Plant & Equipment

(All amounts in ₹ Lakhs, unless otherwise stated)

	Gross Block				Depreciation				Impairment		Total net carrying amount				
Particulars	Balance as on 01.04.2018	Additions	Disposals	Adjustment	Balance as on 31.03.2019	Balance as on 01.04.2018	Depreciation for the year	Adjustment	Disposal	Balance as on 31.03.2019	Balance as at the Year	During the Year	Balance as at 31.03.2019	Balance as on 31.03.2018	
	A	B	C	D	D=A+B-C-D	E	F	G	H	I=E+F-G-H	J	K	L=J+K	M=D-I-L	N=A-E-J
Property Plant & Equipment															
Land	475.71	-	-	-	-	-	-	-	-	-	-	-	-	475.71	475.71
Lease Hold Land	190.47	-	-	-	-	8.33	2.78	-	-	11.11	-	-	-	179.36	182.14
Building	7,598.28	1,806.77	-	(69.34)	9,474.39	850.06	441.72	-	-	1,291.78	-	-	-	8,182.61	6,748.22
Factory Building	11,086.66	468.00	-	(4,727.18)	16,281.83	1,381.72	548.89	-	-	1,930.61	-	-	-	14,351.22	9,704.94
Plant and Equipment	1,32,292.55	7,106.48	210.12	(1,232.40)	1,40,421.31	25,471.77	10,843.94	-	198.93	36,116.78	3.19	-	3.19	1,04,301.35	1,06,817.59
Furniture and Fixtures	763.45	225.64	1.82	(0.07)	987.34	242.71	98.97	-	1.81	339.87	-	-	-	647.47	520.75
Vehicles	257.41	50.27	1.45	-	306.22	93.33	35.13	-	1.43	127.03	-	-	-	179.19	164.07
Office Equipments	721.21	228.91	19.91	-	930.21	372.89	100.84	0.11	7.35	466.27	-	-	-	463.94	348.32
Other Equipments															
- Computers & Printers	1,469.57	138.74	18.97	0.87	1,588.47	966.24	152.89	1.04	8.82	1,109.27	-	-	-	479.20	503.33
- Railway Siding	200.30	208.84	-	-	409.14	22.94	12.90	-	-	35.84	-	-	-	373.30	177.36
- Electrical Installation	4,085.50	377.06	-	-	4,462.56	1,329.74	459.10	-	-	1,788.84	-	-	-	2,673.72	2,755.76
- S&D Assets	15.59	-	-	-	15.59	-	-	-	-	-	-	-	-	15.59	15.59
- R&D Assets	280.87	1.02	-	-	281.89	52.54	32.55	-	-	85.09	-	-	-	196.80	228.33
- Tools	0.12	-	-	-	0.12	-	0.01	-	-	0.01	-	-	-	0.11	0.12
- Lower Asset Value	0.52	0.95	-	-	1.47	0.52	0.94	-	-	1.46	-	-	-	0.00	-
- Lab Equipments	32.92	79.68	(12.50)	-	125.10	10.87	9.78	-	(0.49)	21.13	-	-	-	103.96	22.05
TOTAL	1,59,471.13	10,692.34	239.77	(6,028.13)	1,75,951.84	30,803.66	12,740.45	1.15	217.86	43,325.10	3.19	-	3.19	1,32,623.54	1,28,664.28
Previous Year	1,50,162.33	9,576.01	326.20	(59.00)	1,59,471.13	18,810.98	13,277.20	975.48	309.04	30,803.66	0.80	2.39	3.19	1,28,664.28	1,31,350.55
Capital Work in Progress	7,549.04	1,432.02	1,264.35	6,537.85	1,178.86	-	-	-	-	-	-	-	-	1,178.86	7,549.04
TOTAL	7,549.04	1,432.02	1,264.35	6,537.85	1,178.86	-	-	-	-	-	-	-	-	1,178.86	7,549.04
Previous Year	6,364.76	3,869.51	2,574.78	1,10.45	7,549.04	-	-	-	-	-	-	-	-	7,549.04	6,364.76

Note 4 Intangible Assets

Particulars	Gross Block				Depreciation				Total net carrying amount	
	Balance as on 01.04.2018	Additions	Disposals	Adj.	Balance as on 31.03.2019	Balance as on 01.04.2018	Depreciation for the period	Adj.	Balance as on 31.03.2019	Balance as on 31.03.2018
Computer Software	692.63	38.84	-	-	731.47	487.22	102.44	-	141.81	205.41
Total	692.63	38.84	-	-	731.47	487.22	102.44	-	141.81	205.41
Previous Year	684.06	9.46	-	0.89	692.63	352.07	135.15	-	205.41	331.99

SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

NOTES TO BALANCE SHEET & STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31ST MARCH 2019

Note 5 (i)

(a) Non Current Investments

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Investment in Equity Instruments in Joint Venture at Cost (Unquoted Equity Shares of Bank Note Paper Mill India Pvt Ltd. {JV of Security Printing and Minting Corporation of India Ltd and Bhartiya Reserve Bank Note Mudran Pvt Ltd [40,00,00,000 Shares @ ₹10 each]})	40,000.00	40,000.00
Total Investment	40,000.00	40,000.00

(b) Investments - Current

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Investment in Mutual funds - Quoted		
SBI Mutual Fund	-	9,009.28
UTI Treasury Advantages Fund' (Valued at Fair value)	-	-
Total Investment	-	9,009.28

Note 5 (ii)

(a) Trade Receivables - Non Current

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(i) Trade Receivables		
- Doubtful	67,617.16	67,986.72
Total (A)	67,617.16	67,986.72
(i) Allowance for Bad Debts	42,793.35	43,162.91
(ii) Provision for Rate Difference	24,823.81	24,823.81
Total (B)	67,617.16	67,986.72
Total Trade Receivables (A-B)	-	-



(b) Trade Receivables - Current

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(i) Trade Receivables		
(a) Secured, Considered Good	-	-
(b) Unsecured, Considered Good	1,77,018.14	1,12,561.16
Total (A)	1,77,018.14	1,12,561.16
(i) Rate Differences (Based on 2014-15 rates)	4,485.00	4,485.00
Total (B)	4,485.00	4,485.00
Trade Receivables (C) i.e. (A-B)	1,72,533.14	1,08,076.16
(iii) Debts Due by Directors / Related Parties	-	-
Total (D)	-	-
Total Trade Receivables	1,72,533.14	1,08,076.16

Note 5 (iii)

(a) Loans - Non-current

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(i) Security Deposit		
(a) Secured, Considered good	-	-
(b) Unsecured, Considered Good	-	-
(c) Doubtful	269.23	257.68
Total (A)	269.23	257.68
(ii) Loans Due from Directors / Related Parties		
(a) Secured, Considered Good	-	-
(b) Unsecured, Considered Good	-	-
(c) Doubtful	-	-
(d) Which have Significant Increase in Credit Risk	-	-
(e) Credit Impaired	-	-
Total (B)	-	-
(iii) Other loans		
(a) Secured, considered good		
- Loan due from employees	483.89	551.82
(b) Unsecured, considered good		
- Loan due from employees	12.29	33.19
(c) Doubtful	-	-
(d) Which have Significant Increase in Credit Risk	-	-
(e) Credit Impaired	-	-
Total (C)	496.19	585.01
(iv) Allowance for bad and doubtful loans	-	-
Total (D)	-	-
Loans Due (E) i.e. (A+B+C-D)	765.42	842.70
(v) Loans due from Directors	-	-
Total (F)	-	-
Total Loan (E+F)	765.42	842.70



(b) Loans - Current

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(A) Security Deposit		
(a) Secured, Considered Good	2.22	1.37
(b) Unsecured, Considered Good	-	-
(c) Doubtful	-	-
Total (A)	2.22	1.37
(B) Other Loans	-	-
(a) Loans Receivable Considered Good- Secured	-	-
(b) Loans Receivable Considered Good- Unsecured	-	-
- Loans to Employees	145.36	259.99
(c) Loans Receivable which have Significant Increase in Credit Risk: and	-	-
(d) Loans Receivable Credit Impaired	-	-
Total (B)	145.36	259.99
Total Loan (A+B)	147.58	261.36

Note 5 (iv)

(a) Others - Non-Current

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(a) Security Deposit		
- Deposit with CISF	406.80	406.80
- Deposit with Electricity Board	1,018.27	994.67
- Deposit with Tax Authorities/other	3,888.04	3,567.00
(b) Other advances	147.54	140.82
Total	5,460.65	5,109.29

(b) Others - Current

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Deposits with Other Department	1.15	1.15
Other Advances	41.21	-
Other Advances to Employees	10.40	21.69
Other Advances Receivables	3,679.85	5,044.59
Interest Receivables on FDR	358.79	32.71
Assets held for Sale	5,762.38	5,762.17
Total	9,853.78	10,862.31



Note 5(v)

Cash & Cash Equivalents

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
a)		
Balances with Banks	12,284.31	2,491.96
Cheques, Draft on Hand	-	359.95
Cash on Hand	3.90	2.25
Postage on Hand	3.60	2.35
Total Cash & Cash Equivalents	12,291.81	2,856.51
b)		
Bank Balances other than above		
- FDR (Maturity period more than 3 months)	1,44,050.00	48,207.19
Total Bank Balances	1,44,050.00	48,207.19

Note 6

Deferred Tax Assets & Liabilities

The tax effects of the significant temporary differences that resulted in deferred tax assets/liabilities are as follows:

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Deferred Tax Assets/(Liabilities)		
Property, Plant and Equipment	(16,391.91)	(15,501.74)
Current Liabilities, Trade Receivables and Provisions	1,10,827.58	1,02,815.32
Net Deferred Tax Assets	94,435.66	87,313.58

Note 7

Other Non-current Assets

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Other Receivables	8.36	8.54
Advance to PAO	34.61	34.91
PAO/C&C DEA Ministry of Finance (EPF)	901.98	901.98
PAO/C&C DEA Ministry of Finance (GPF)	369.50	369.50
Advance to others	0.82	0.82
Non Moving Inventory	1,479.32	711.78
Other advances receivables	444.85	259.85
Less: Provision for non moving inventory	(1,460.03)	(597.57)
Total	1,779.41	1,689.81

Note 8

Inventories (At lower of Cost or Net Realisable Value)

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(a) Raw Materials		
- Raw Materials	76,505.76	1,19,368.56
- Raw Material in Transit	873.96	117.65
(b) Work-in-progress	37,020.88	56,976.57
(c) Finished goods	22,136.10	44,108.58
(d) Traded goods	-	-
- Goods in transit	4,580.20	2,278.86
(e) Stores and spares	13,596.79	12,917.75
(f) Others	-	132.51
(e) Others- Scrap	3,571.24	5,454.83
- Other Inventory	548.94	306.46
Total Inventories	1,58,833.87	2,41,661.78

Note 9 (a)

Current Tax Assets (Net)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Balance with Income Tax Authority		
Advance Tax including TDS	-	20,906.75
Less : Provision of Income Tax	-	15,428.00
Current Tax Assets - Net	-	5,478.75

Note 9 (b)

Current Tax Liabilities (Net of Advance Tax)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Provision for Income Tax	95,413	-
Less: Advance Tax/ TDS	92,431	-
Current Tax Liabilities (Nett of Advance tax)	2,982.18	-

Note 10

Other Current Assets

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Prepaid expenses	300.10	205.87
Balance with excise authorities	0.64	2,900.89
Balance with sales tax / GST authorities	13,341.45	16,824.28



(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Balance with Income Tax Authorities	2.70	0.78
Assets held for disposal	0.07	0.07
PAO/C&C DEA Ministry of Finance (EPF)	-	-
PAO/C&C DEA Ministry of Finance (GPF)	-	-
Commemorative coins	0.96	0.78
Other receivables	174.98	110.36
Advances to suppliers	9,294.61	11,732.32
Advances to CPWD	55.46	10.68
Advances to BSNL	-	22.14
Total	23,170.98	31,808.17

Note 11

Issued Share Capital

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Authorised Capital		
2,50,00,00,000 Equity Shares of ₹10 Each	2,50,000.00	2,50,000.00
Issued and subscribed capital		
118,24,90,000 Equity Shares of ₹10 Each	1,18,249.00	1,18,249.00
	1,18,249.00	1,18,249.00
Paid-up Capital		
106,42,41,000 Equity Shares of ₹10 Each (Previous Year 106,42,41,000 Equity Shares of ₹10 Each)	1,06,424.10	1,06,424.10
Total	1,06,424.10	1,06,424.10

Note 11A

Reconciliation of equity shares outstanding at the beginning and at the end of year

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Equity Shares at the beginning of the year	1,06,42,41,000	1,18,24,90,000
Add: Shares issued during the year	-	-
Less: Shares buyback during the year	-	11,82,49,000
Equity Shares outstanding at the end of the year i.e. as on 31st March 2019	1,06,42,41,000	1,06,42,41,000

Note 11B

Details of shares held by the holding company, their subsidiaries and associates : NIL



Note 11C

Details of shareholders holding more than 5% of the equity share capital of the Company

Particulars	Figures as at 31 st March 2019 No. of Shares in lakhs	Figures as at 31 st March 2018 No. of Shares in lakhs
a) President of India through Shri Prashant Goyal, JS(C&C), DEA, MOF (Previous year President of India through Shri Anurag Agarwal, JS(ACC), DEA, MOF	10,642.41	10,642.41
b) % of No of shares	99.99	99.99

Note 11D

Terms and rights attached to the equity shares of the Company : Nil

Note 12

Reserve & Surplus

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(a) Capital Reserve	33,819.95	33,819.95
(b) General Reserve	-	-
(c) Retained Earnings (Surplus)	2,84,886.82	2,56,499.52
(d) Capital Redemption Reserve	11,824.90	11,824.90
Total Reserve & Surplus	3,30,531.67	3,02,144.36
(a) Capital Reserve		
As per last statement of financial position	33,819.95	33,819.95
Add: Current year transfer	-	-
Less : Written back in current year	-	-
Total Capital Reserve	33,819.95	33,819.95
(b) General Reserve		
As per last statement of financial position	-	20,008.52
Add: Current year transfer	-	25,517.34
Less : Transfer to Capital Redemption Reserve	-	11,824.90
Less: Buyback of shares	-	33,700.96
Total General Reserve	-	-
(c) Retained Earnings		
As per last statement of financial position	2,56,499.52	2,60,441.42
Add: Net Profit/(Loss) for the current year	52,786.86	61,970.89
Add: Items of other comprehensive income recognized directly in retained earnings	374.50	3,231.96
Add: Prior period items	-	106.34
Less : Disputed Claim	-	(9,533.97)
Add: Depreciation	-	974.25
Less: Dividend paid for the previous year	(20,487.15)	(22,764.00)
Less : Dividend distribution tax	(4,286.90)	(4,634.28)
Less: Tax on Buy back	-	(7,775.49)
Less : Buy Back Share	-	(25,517.34)
Total Retained Earnings	2,84,886.82	2,56,499.52
(d) Capital Redemption Reserve		
As per last statement of financial position	11,824.90	-
Add : Current year Transfer	-	11,824.90
Less : Written back in current year	-	-
Total Capital Redemption Reserve	11,824.90	11,824.90



Financial Liabilities - Non-Current Borrowing

Note 13 (i)

Borrowings

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Loans & Borrowings	-	-
Total Non-Current Borrowings	-	-

Note 13 (ii)

Trade Payables

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(a) Non-Current		
- Trade Payables		
(A) Total outstanding dues of micro and small enterprises: and	-	-
(B) Total outstanding dues of creditors other than micro and small enterprises.	-	-
Total Non-Current Trade Payable	-	-
(b) Current		
- Trade payables	-	-
(A) Total outstanding dues of micro and small enterprises: and	5,298.18	2,691.89
(B) Total outstanding dues of creditors other than micro and small enterprises.	21,771.36	21,082.97
Total Current Trade Payable	27,069.54	23,774.87
Total Trade Payables	27,069.54	23,774.87

Note 13(iii)

Other Financial Liabilities

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Other Financial Liabilities - Non-Current		
Funds from GOI - Adjustable	17,976.76	17,976.76
Adjustment during the Year	3,036.94	4,186.51
Funds Adjustable from Govt. of India - Total (a)	21,013.70	22,163.27
Other Financial Liabilities - Current	-	-
Total (b)	-	-



Note 14

Provisions

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(i) Non-Current Provisions		
Other Provision		
- Provision for Disputed Claims	5.00	5.00
Total Non-Current Provisions	5.00	5.00
(ii) Current Provisions		
Other Provisions		
- Other Short Term Provisions	6,405.36	5,289.65
- Provision for Disputed Claims	78,496.30	73,654.42
Total Current Provisions	84,901.66	78,944.07

Note 15

Employees Benefit Obligations

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(i) Non-Current Provisions		
(a) Provision for employee benefits		
- Provision for Gratuity	15,893.95	14,843.48
- Provision for Leave Encashment	25,459.61	24,319.44
- Provision for Pensionary Charges Contribution	-	-
- Provision for Leave Salary Contribution	-	130.77
- Provision for Ex-Gratia	51.29	123.90
- Provision for Pension Trust Liability	99,937.06	94,702.69
- Provision for Post Retirement Medical Benefits	6,427.38	3,713.16
Total Non-Current Employees Benefit Obligations	1,47,769.30	1,37,833.43
(ii) Current Provisions		
(a) Provision for employee benefits		
- Provision for Leave Salary and Pensionary Charges	42.84	44.82
- Provision for Gratuity	2,239.59	1,813.01
- Provision for Ex-Gratia /Bonus	330.51	362.32
- Provision for Leave Encashment	3,948.90	3,027.75
- Provision for Compensation in Lieu of Compassionate appointments	529.69	531.59
- Provision for PRP PAYABLE 2016-17	-	52.00
- Provision for PRP 16-17 & 17-18	-	312.00
- Provision for Pension Trust Liability	7,530.90	-
- Provision for Post Retirement Medical Benefits	2,053.64	2,281.29
- PRP Payable	1,152.12	1,000.00
- Other employees benefits short term provisions	266.89	2,237.81
- Arrears 3 rd PRC	-	135.96
Total Current Employees Benefit Obligations	18,095.07	11,798.55



Note 16

Other Non-Current Liabilities

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Other Non-Current Liabilities (Diff. amount Received From RBI)	11,336.16	12,473.26
Total Non-Current Liabilities	11,336.16	12,473.26

Note 17

Other Current Liabilities

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Employee's Claim	8.29	18.27
Advances from Customer	30,117.68	18,723.66
Earnest Money Deposit (EMD)	444.69	396.99
Security Deposit of Supplier/Vendors	1,010.93	607.15
Payable to PAO	54.44	96.18
Statutory Dues Payable	7,618.91	6,016.15
Octroi Payable	-	-
Salaries and Wages and other Employee Benefit Payable	1,969.39	1,961.24
Recovery from Salary Payable to concerned Authorities	943.96	833.09
Expenses Payable	3,697.75	2,970.10
Contribution to SPMCIL Pension Trust Payable	130.62	126.66
Pensionary Charges Payable	111.56	113.99
Bank Book Overdraft	410.75	1,035.00
Other Current Liabilities	614.40	1,093.91
Capital Goods Creditors	-	40.94
Claim Difference	4.51	0.45
Gratuity Withheld	0.22	0.90
Total Other Current Liabilities	47,138.10	34,034.69

Note 18

Revenue

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
(A) Sale of Products		
- Sale of Notes	2,41,918.95	1,96,560.11
- Sale of Coins	1,84,617.59	1,42,643.24
- Sale of Medals and Commemorative Coins	5,505.37	5,635.56
- Sale of Ink	6,967.13	714.36
- Sale of Passport & Allied	47,224.13	36,889.17
- Sale of Postal Items	2,093.88	2,374.66
- Sale of Non-Postal Items	4,486.04	5,269.58
- Sale of NJSP	51,000.48	36,608.92
- Sale -Others	17,049.11	7,058.24
Total (A)	5,60,862.68	4,33,753.84
(B) Sale of Services		
- Job Work	883.50	943.99
- Other Service	11.61	31.28
Total (B)	895.10	975.27
(C) Other Operating Revenue		
- Sale of Scrap	9,203.64	9,693.85
- Other Operating Activities	172.13	92.63
- Rate Difference	-	(4,285.59)
Total (C)	9,375.78	5,500.90
Total Revenue from Continuing Operations (A+B+C)	5,71,133.56	4,40,230.01

Note 19

Other Income

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
(a) Interest Income		
- Interest Income	6,640.38	5,141.81
TOTAL (A)	6,640.38	5,141.81
(b) Dividend Income		
- Dividend Income from Mutual Fund	23.18	454.88
TOTAL (B)	23.18	454.88
(c) Other Income (Net of Expense directly attributable to such Income)		
- Foreign Exchange Fluctuation Gains/ (Loss)	367.93	471.43
- Profit on Sale of Fixed Assets	16.51	113.57
- Other Income	2,357.02	2,947.51
- Provisions/Liabilities Written Back	1,983.80	10,545.15
TOTAL (C)	4,725.25	14,077.66
Total Other Income (A+B+C)	11,388.81	19,674.35



Note 20

Cost of Materials Consumed

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Cost of Material Consumed	2,29,355.86	2,12,490.07
Total Cost of Materials Consumed	2,29,355.86	2,12,490.07

Note 21

Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Opening Balance		
Work in Progress	56,976.57	70,418.56
Finished Goods	44,108.57	6,545.91
Goods in Transit	2,278.86	2,856.44
Scrap	5,573.83	7,774.59
Total Opening Balance (A)	1,08,937.84	87,595.50
Closing Balance		
Work in Progress	37,020.88	56,976.57
Finished Goods	22,136.06	44,108.57
Goods in Transit	4,580.20	2,278.86
Scrap	3,570.91	5,573.83
Total Closing Balance (B)	67,308.05	1,08,937.84
Total changes in Inventories of Finished Goods, Stock in Trade and Work in Progress (A-B)	41,629.79	(21,342.33)

Note 22

Employee Benefit Expense

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Salaries, wages and allowances	68,015.95	69,055.81
Overtime	18,483.26	15,387.11
Incentive	14,476.16	13,461.47
LTC	360.93	307.26
Medical	2,598.58	2,287.22
Employer Contribution to EPF	3,967.60	4,347.82
Leave salary & pensionary charges contribution	795.83	876.68
Contribution to SPMCIL pension trust	1,738.22	1,910.91
Leave encashment	7,239.61	8,238.65
Gratuity	3,150.42	6,960.55
Staff welfare expenses	273.22	121.31
Other employee benefits	2,291.03	1,524.45
Post retirement medical benefits	3,872.11	2,010.62
Total employee benefit expenses	1,27,262.91	1,26,489.85

Note 23

Finance Cost

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Interest Cost on Loan from Ministry of Finance	-	-
Interest Cost on Loan from Bank	-	297.36
Total	-	297.36

Note 3 & 4

Depreciation and Amortization Expense

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Depreciation on Property Plant and Equipment	12,739.30	13,277.20
Amortisation of Intangible Assets	102.44	135.15
Total	12,841.74	13,412.35

Note 24

Other expenses

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
(A) Other Manufacturing Expenses		
- Consumption of Stores, Spare and Components	9,002.45	8,532.50
- Power, Fuel and Water	7,778.39	7,501.86
- Repairs & Maintenance to Machinery	959.50	516.33
- Repairs & Maintenance to Factory Building	999.00	1,110.10
- Packing Expenses	2,165.30	2,173.70
- Other Manufacturing Costs	666.38	553.16
Total (A)	21,571.02	20,387.65
(B) Administrative Expenses		
- Advertisement	185.89	202.83
- Commission (Auction & Other)	249.90	305.75
- Audit fees	67.83	45.16
- Bank charges	4.02	4.29
- Bad debts written off	2.20	-
- Canteen expenses(Net of Receipts)	224.00	257.17
- Dispensary expenses	84.11	164.55
- Environmental charges	45.48	90.65
- Fees & honorarium	41.94	21.50
- Freight outward	1,488.57	1,229.55
- Foreign exchange fluctuation loss	92.17	94.40
- Grants in Aid expenses	2.45	3.20
- Loss on sale/discard of assets	(0.01)	0.04
- Guest House Expenses (Net of Receipts)	45.74	40.34
- Hiring of staff	2,469.06	2,254.64



(All amount in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
- Horticulture Expenses	64.68	40.52
- Hospitality & Entertainment expenses	16.64	74.20
- Legal & Professional charges	737.04	636.31
- Meeting expenses	79.93	9.06
- Misc expenses	170.95	35.65
- Office expenses	199.56	213.27
- Postage & courier expenses	32.05	45.07
- Printing & Stationery expenses	99.28	71.94
- Research & Development expenses	83.82	137.65
- Repair & Maintenance- Building	598.76	1,415.96
- Repair & Maintenance- Computers & Networks	250.09	373.70
- Repair & Maintenance- Others	670.42	1,641.75
- Rent	823.07	688.28
- Insurance	600.07	484.13
- Rates & Taxes	4,802.04	127.35
- Security charges	15,699.86	14,647.30
- Seminar & Training expenses	91.46	70.24
- Service Tax/ Sales Tax paid	3,213.36	51.28
- Subscription, Newspaper, Books & Periodicals	15.58	12.57
- Sustainable Development	0.05	-
- Telephone & Internet charges	196.08	218.14
- Travelling & Conveyance expenses	704.92	568.06
- Travelling Expenses- Foreign	118.19	74.93
- Uniform & Liveries	14.19	23.14
- Corporate Social Responsibility Expenses (CSR)	389.91	466.38
- Vehicle Hiring/Maintenance charges	296.22	351.84
- Water & Electricity charges	465.01	395.54
- Consumption Spares	-	7.66
- Other Expenditure	888.24	732.43
- Interest and Penalty	9.51	1,972.70
- Prior Period Expenses	-	-
- Expense for Obsolete/ Non-Moving Inventory/ Shortage	894.85	51.10
Total (B)	37,229.18	30,352.18
(C) Provisions Created During the Year		
- Provision for Trade Receivables	575.38	6.54
- Provision for Obsolete/Non-Moving Inventory/Shortage	-	(86.81)
- Provision for Rate Differences of Bank Notes	-	100.54
- Provision for Pension Trust Liability	22,831.26	20,736.23
- Provision For disputed claims	7,707.12	-
Total (C)	31,113.76	20,756.50
Total Other Expenses (A+B+C)	89,913.96	71,496.33

Note 24(a)

Auditors' Remuneration

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
(A) Statutory Auditors		
(i) Statutory Audit Fee	3.50	3.50
(ii) Tax Audit Fee	2.63	2.63
Sub-Total (A)	6.13	6.13
(B) Branch Auditors		
(i) Statutory Audit Fee	20.25	20.25
(ii) Tax Audit Fee	24.35	16.55
Sub-Total (B)	44.60	36.80
Auditors' Remuneration (A+B)	50.73	42.93
Auditor's Out of Pocket Expenses	-	-
Total	50.73	42.93

Note 25

Provisions, Contingent Liabilities & Contingent Assets – Ind AS-37

Contingent Liabilities as per Ind AS-37 are as follows:

(All amount in ₹ lakhs, unless otherwise stated)

Contingent Liabilities and commitments (to the extent not provided for)	As at 31 st March 2019	As at 31 st March 2018
(I) Contingent Liabilities		
(i) Claims against the company not acknowledged as debt (excluding the cases where amounts are unascertainable)	41,226.03	63,641.93
(iii) Bank Guarantees & Letters of Credit issued by Banks	2,925.54	1,910.57
Total (I)	44,151.57	65,552.50
(II) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	116.75	56.22
Total (II)	116.75	56.22
Grand Total (₹) (I+II)	44,268.32	65,608.72

- (a) The Cases filed by employees/workers/suppliers are being contested and accordingly, no provision is considered necessary. The Cases regarding taxes are also being contested before various appellate forums and accordingly, no provision is considered necessary.
- (b) The unit has filed a writ petition with Hon'ble High Court at Calcutta challenging the levy of entry tax as per West Bengal Entry Tax Act, 2012. The Hon'ble single bench adjourn the case sine die. On the same levy of entry tax in another case, The single bench of the Hon'ble High Court at Calcutta vide judgment and order dated June 24, 2013 has declared that The West Bengal Entry Tax Act, 2012 is ultra vires. The unit has sought a legal opinion and as per the opinion received by the unit dated May 17, 2013, May 30, 2017 and May 29, 2018, the Unit has not paid/provided for entry tax from June 01, 2013. The Unit has filed an application for tagging entry tax case with main writ petition which pending at "Divisional Bench".



Note 26

Reinstatement of Financial statement for the year 2017-18 in compliance to Ind AS 08 'Accounting Policies, Changes in Accounting Estimates and Errors'

The Balance Sheet and Statement of Profit and Loss, including the statement of Other Comprehensive Income for the year ended March 31, 2018 have been restated in accordance with the Ind AS 08- "Accounting Policies, Change in Accounting Estimates and Errors" for rectification of errors relating to the year 2017-18. The relevant disclosure are as follows:

a) Nature of prior period error related to the year 2017-18:

Sl. No.	Particulars	Amount in ₹ lakhs
1	Performance Related Pay not booked	500.00
2	Price difference not provided	4,485.00
3	Non-Reversal of Depreciation on Plant & Machinery	814.75
4	AMC of SAP and other exp. not booked	133.98

b) Impact of correction of above errors on the financial statements for the year 2017-18:

- Performance Related Pay (PRP) of ₹500 lakh not booked:
 - Increase in Salary, Wages and Allowances under the head 'Employees Benefit expenses' in 'Profit & Loss Account'.
 - Increase in PRP Payable under the head 'Current Provisions' in 'Balance Sheet'
- Price Difference of ₹4,485 lakh not provided:
 - Decrease in operating revenue under the head 'Revenue' in 'Profit & Loss Account'.
 - Decrease in Trade Receivable- current under the head 'Trade Receivable' in

'Balance Sheet'

- Non-Reversal of Depreciation on Plant & Machinery of ₹814.75 lakh:
 - Increase in Depreciation on Tangible Assets under the head 'Depreciation' in 'Profit & Loss Account'.
 - Decrease in Written down value of Plant and Machinery under the head 'Property, Plant and Equipment' in 'Balance Sheet'.
- AMC of SAP and other Expenses of ₹133.98 lakh not booked:
 - Increase in Repair & Maintenance- Computers & Networks Charges under the head 'Other Expenses' in 'Profit & Loss Account'.
 - Increase in Trade payables- other than MSME under the head 'Trade payable- Current' in Balance sheet.
- Impact of above errors on Provision for Tax, Deferred Tax Assets and Earnings & Diluted Earnings per share:
 - Increase in Deferred Tax Assets by ₹3,161.13 lakh,
 - Decline in Provision for Tax by ₹1,598 lakh, and
 - Decline in Earnings & Diluted Earnings per share by ₹0.10 per share.

Note 27

Disclosure pertaining to Micro, Small and Medium Enterprises

The Management identifies the enterprises which have provided goods and services to the company and which qualify under the definition of Micro, Small and Medium Enterprises (MSME) as defined under Micro, Small and Medium Enterprises development Act, 2006. Accordingly, the disclosure in respect of amount payable to such enterprises as at 31st March 2019 has been made in the financial statements (as disclosed in Note No. 13(ii) Trade Payables) on the basis of information received and available with the company.

Amount in ₹ lakhs

S. No.	Particulars	As at 31 st March 2019	As at 31 st March 2018
1	The principal amount remaining unpaid to suppliers as at the end of the Year	5,298.18	2,691.89
2.	The amount of interest accrued during the year and remaining unpaid at the end of the Year	Nil	Nil
3.	The amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during the Year	Nil	Nil
4.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil

Note 28

Fixed Assets

- As per the decision of Government of India, all the Assets and Liabilities of nine units as on 10.02.2006 have been transferred to the Company at book value. Accordingly, all assets and liabilities prevailing as on 09.02.2006 were taken over on 10.2.2006 in the books of the Company on historic cost basis as per books of account of the Units of Government of India.
- Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except

in respect of certain assets as disclosed in Accounting Policy on Depreciation & Amortization. Accordingly, the unamortized carrying value is being depreciated / amortized over the remaining useful lives.

- Physical verification of Fixed Assets during the financial year 2018-19 has been carried out at all the units and Corporate Office.

Note 29

Precious Metals at Mints

Mints at Mumbai, Kolkata and Hyderabad have stocks of gold, silver and other precious metals which are more than 10 years old required for manufacturing of medals in very moderate quantity. There is a sound system of maintaining records and ensuring physical safety of the metals. Detailed break-up of each category of metal with fineness details are available in the units. Value of these metals has been taken as per book value which is lower than the net realizable value of the same. As there is a very moderate consumption of these materials in current production, company has initiated steps to dispose off these metals lying at units.

Note 30

Employee Benefits - Ind AS -19

Most of the Employees of the company were on deemed deputation from Government of India. On 15.09.2008, a tripartite agreement was signed between the Government of India, Company and the representatives of the various unions. Option was given to employees who were on deemed deputation to opt for the Company or Government of India as per Rule 37-A of Central Civil Services (Pension) Rules, 1972. Permanent absorption has been notified by Govt. vide order No. 10/1/2009-SPMC dated 29.05.2009 w.e.f. 01.11.2008. Option to join the Company was exercised by 14256 employees.

Defined Contribution Plans

- Employee Provident Fund (EPF):** For EPF, a trust has been established and exemption has been granted by Employees Provident Fund Organization (EPFO) since December, 2009. The trust became operational w.e.f. April

2010 and all cases pertaining to employees provident fund matter are being looked after by Trust. The Company pays fixed contribution to provident fund at predetermined rates to the trust, which invests the funds in permitted securities as per investment pattern stipulated by Ministry of Labour. Contribution to family pension scheme is paid to the Employee Provident Fund Organization (EPFO). The contribution is recognized as expense and is charged to Profit and Loss account.

- b) **General Provident Fund (GPF):** For GPF, a trust has been established in the month of March 2011. From 1st April 2011 onwards, employee's contribution is being made to the Trust. There is only employee contribution in this fund and therefore, no amount is recognized as expenses in Profit and Loss account.

Defined Benefits Plans

- a) **Pension:** Pension will be paid to Combined Pension Optees from the Company Employees Pension Fund Trust constituted by Government of India. Provisions for pension contribution to the trust in respect of the Combined Optee have been made as per Central Civil Services (Pension) Rules, 1972.
- b) **Leave Travel Concession:** Leave Travel Concession (LTC) benefits have been dealt with as per norms of Government of India adopted by the company.
- c) **Gratuity:** The Company has a defined benefit gratuity plan in accordance with Payment of Gratuity Act, 1972. Every employee who has

rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹20 Lakh on superannuation, resignation, termination, disablement or on death during the entire tenure of service. The Liability for the same is recognized on the basis of actuarial valuation.

- d) **Earned and Half Pay Leave:** The Company provides for earned leave benefit and half pay leave to the employees of the Company which accrues at 15 days and 10 days respectively at the end of half year. Earned leaves are encashable up to a maximum of 300 days on separation. Half pay leave is encashable only on separation but subject to maximum of 300 days for both earned leave and half pay leave. The Company has also permitted to en-cash earned leave to the extent of 50% of balance at credit once in a calendar year subject to the balance at credit should not be less than 30 days after encashment and subject to maximum accumulation of 300 days. The Liability for the same is recognized on the basis of actuarial valuation..

- e) **Post-Retirement Medical Benefits:** The Company has Post-Retirement Medical Scheme under which eligible ex-employees are provided medical facilities on the sole discretion of the employee upon payment of one time prescribed contribution. The liability for the same is recognized on the basis of actuarial valuation.

- f) **As per Ind AS 19 "Employee Benefits", the disclosure as defined is given below:**

(Amount in ₹ lakhs)

Sl. No.	Particulars	Gratuity		Leave		Post Retirement Medical Benefits	
		31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Defined Contribution Plans							
Defined Benefit Plans							
A	Reconciliation of Opening and Closing Balances of Defined Benefit Obligation						
	Defined Benefit Obligation at beginning of the year	16,656.49	14,208.97	27,347.18	29,248.61	6,120.52	4,510.50



S. No.	Particulars	Gratuity		Leave		Post Retirement Medical Benefits	
		31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
	Current Service Cost	1,874.20	1,906.47	1,387.48	1,300.37	1,351.15	1,409.69
	Interest Cost	1,232.58	1,045.78	2,023.69	2,152.70	452.92	331.97
	Actuarial (Gain)/Loss	(201.70)	98.76	3,350.70	2,709.40	1,191.45	315.33
	Benefits Paid	(1,428.03)	(603.49)	(4,700.55)	(8,063.90)	(6,35.02)	(446.98)
	Defined Benefit Obligation at the year end	18,133.54	16,656.49	29,408.50	27,347.18	8,481.02	6,120.52
B	Reconciliation of opening and closing balances of fair value of Plan Assets						
	Fair value of plan assets at the beginning of the period	–	–	–	–	–	–
	Actual return on plan assets	–	–	–	–	–	–
	Employer contribution	–	–	–	–	–	–
	Benefits paid	–	–	–	–	–	–
	Fair value of plan assets at the end of the period	–	–	–	–	–	–
C	Actuarial assumptions						
	Discount Rate (per annum)	7.34	7.40	7.34	7.40	7.34	7.40
	Expected rate of return on Plan Assets (per annum)	–	–	–	–	–	–
	Future Salary/cost Increase (per annum)	7.50	7.50	7.50	7.50	5.00	5.00
D	Sensitivity Analysis	31.03.2019		31.03.2019		31.03.2019	
(a) Impact of the change in discount rate							
	Present Value of Obligation at the end of the period	18,133.54		29,408.50		8,481.02	
	Impact due to increase of 0.50 %	(544.62)		(845.52)		(203.27)	
	Impact due to decrease of 0.50 %	584.44		901.42		205.11	
(b) Impact of the change in salary							
	Present Value of Obligation at the end of the period	18,133.54		29,408.50		–	
	Impact due to increase of 0.50 %	562.10		895.74		–	
	Impact due to decrease of 0.50 %	(537.69)		(848.13)		–	

Note 31

Operating Segments – Ind AS -108

In the opinion of management, the company has no operating/reportable segment as envisaged in Ind AS-108 as the risks and returns associated with product categories are not different. About 90% of the sale of products during the year has been supplied to various Ministries of Government of India on cost plus reasonable return on capital employed basis. Further the Company is engaged in sovereign function of manufacturing of security products.

Note 32

Related Party Disclosures - Ind AS - 24

List and Transactions of related parties as per Ind AS - 24 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India;

Name of Party	Relationship
A. Bank Note Paper Mill India Private Ltd	Joint Venture (JV)
B. Post Retirement benefit trusts :	
i) SPMCIL EPF Trust	Retirement benefit trust
ii) SPMCIL Pension Trust	Retirement benefit trust
iii) SPMCIL PF Trust	Retirement benefit trust

(a) Transactions with JV:

The company has entered into a Joint Venture Agreement with Bhartiya Reserve Bank Note Mudran Private Limited (BRBNMPL), a wholly owned subsidiary of Reserve Bank of India to set up a security paper mill at Mysore with 50% participation in equity by each Joint Venture partners by forming a company under Indian Companies Act, 1956 on 13/10/2010. The company has contributed a sum of ₹40,000Lakh towards 50% capital contribution. Company has been allotted 40,00,00,000 equity shares of ₹10 each aggregating to ₹40,000 lakh till 31.03.2019.

- i. Proportion of ownership in Joint Venture as per audited accounts for the Financial Year 2018-19 is as under (50%).

(Amount in ₹ lakhs)

Particulars	As on 31.03.2019 (Audited)	As on 31.03.2018 (Audited)
a) Contribution towards Equity	40,000	40,000
b) Deputation of Employee Cost	-	-

- ii. Claims against the company not acknowledged as debt (50% Liability)

(Amount in ₹ lakhs)

Particulars	As on 31.03.2019	As on 31.03.2018
Pending outcome of appeal before ITAT & High Court tax demand is not recognized as liability.	-	761

- iii. Unexpired commitments to the extent not provided (net of advances) (50% Liability)

(Amount in ₹ lakhs)

Particulars	As on 31.03.2019	As on 31.03.2018
Unexpired commitments to the extent not provided for on capital and revenue account.	1,051	2,746

- iv. One of the contractors providing clearing and forwarding services had preferred an arbitration for a claim on the company for ₹42.57 Lakhs. The arbitral tribunal has awarded claim of ₹42.82 Lakhs together with Interest @ 18% P.A. and the cost of arbitration in favour of contractor by rejecting the company's counter claim of ₹44.19 Lakhs. The company has preferred an appeal U/s 34 of The Arbitration and Conciliation Act to set aside the arbitral award and to allow the company's counter claim with interest before the appropriate court after the balance sheet date but before the finalisation of accounts. The court has admitted our appeal and granted stay for execution of arbitral award. Pending this

outcome, the company has not provided for liability, if any, against arbitral award.(50% of the amount has been considered as company share in JV).

Contingent Liability in Joint Venture Company (50%): ₹1,777 Lakh (Previous Year ₹1,333 Lakh).

- v. Transactions carried out with Bank Note Paper Mill India Private Ltd.

(Amount in ₹ lakhs)

Particulars	As on 31.03.2019	As on 31.03.2018
Purchase of CWBN Paper	12,367.33	27,720.72
Sale of Security Fiber	121.51	-
Trade payables	3,633.52	-

(b) Key Managerial Personnel:

- Ms. Tripti P. Ghosh, Chairman and Managing Director (CMD) (from 01.05.2018)
- Shri Ajai Kumar Srivastav, Director (Technical) (From 29.08.2016)
- Shri Sunil Kumar Sinha, Director (HR) (From 01.09.2016)
- Shri Ajay Agarwal, Director (Finance) & Chief Financial Officer (CFO) (from 23.11.2017)
- Shri Sachin Agarwal, Company Secretary (CS) (From 23.09.2009)

There are no transactions with Key Managerial Personnel during the year, except as given below.

The gross remuneration to Key Managerial Personnel who have been the full time-Directors of the Company is as under:

(Amount in ₹ lakhs)

Name	Designation	2018-19	2017-18
Ms. Tripti P. Ghosh	Chairman and Managing Director	41.02	-
Mr. Ajai Kumar Srivastav	Director (Technical)	63.64	43.42
Mr. S.K. Sinha	Director (HR)	61.88	44.69
Mr. Ajay Agarwal	Director (Finance) & CFO	40.84	28.00
Mr. Sachin Agarwal	Company Secretary	17.22	8.94
TOTAL		224.60	125.05

(c) Transactions with Retirement Benefit Trusts

(Amount in ₹ lakhs)

Particulars	2018-19	2017-18
Transactions with SPMCIL EPF trust		-
a. Monthly contribution for FY 18-19	241.48	177.02
b. Payment made to M/s Darashaw Investment Advisor	11.15	4.09
c. Audit Fee	0.24	0.27
d. Payment of AMC for EPF software	2.59	2.59
e. Misc. expenses	2.51	1.78
Total (a to e)	257.97	185.75
Transactions with SPMCIL Pension trust		
f. Monthly contribution for FY 18-19	1.87	1.24
g. Provision of pension payment for FY 18-19	22,831.00	43,504.00
h. Amount paid during FY 18-19	10,066.00	-
i. Unsecured Interest free loan given	800.00	-
Total (f to i)	33,698.87	43,505.24
Transactions with SPMCIL PF Trust		
j. Monthly contribution for FY 18-19	1.96	1.02
Total (j)	1.96	1.02

There are no other transactions with related parties as defined in Ind AS-24.



Note 33

Earnings Per Share - Ind AS-33

Particulars	2018-19	2017-18
Profit After Tax (in ₹ lakhs)	53161.36	65202.85
Weighted average number of equity shares used as denominator	1,06,42,41,000	1,15,46,28,592
Basic / Diluted Earnings per share (in ₹)	5.00	5.65

Note 34

Income Tax - Ind AS - 12

The significant components and classification of deferred tax Assets and Liabilities on account of temporary difference during the financial year 2018-19 are:

Particulars	(Amount in ₹ lakhs)
Opening Balance of Deferred Tax Assets	87,313.57
Add: Deferred Tax Assets (Net) created during the year	7,122.09
Closing Balance of Deferred Tax Assets	94,435.66

Note 35

Balances of some of the Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmations/reconciliations and consequential adjustment, if any.

Reconciliations are carried out on on-going basis. Provisions, wherever considered necessary, have been made. However, Management does not expect to have any material financial impact of such pending confirmations/reconciliations.

Note 36

Security Deposit Paid

Security Deposits have been made with various Electricity Departments/Boards and companies by the units to get electricity connections and supply.

Most of these deposits have been made prior to corporatization.

Note 37

Discontinued operations at Saifabad unit (Discontinued IG Mint)

IGM, Hyderabad has discontinued minting operations of its Saifabad Unit, Hyderabad with effect from 01.11.2009. After review of the Fixed assets register (FAR) and physical verification of the assets, items which were fully depreciated and have no realizable value have been removed from FAR. Other items not further usable have been identified for disposal and disclosed as assets held for disposal under current assets. Remaining useful items have been transferred to Cherlapally location except land and building.

Note 38

Expenditure incurred towards Corporate Social Responsibility & Sustainable Development

CSR amount required to be spent as per section 135 of the Company's Act, 2013 read with Schedule VII, thereof, by the Company during the year is ₹1,066.06 lakh (Previous year ₹458.62 lakh).

During the year, the company has incurred an amount of ₹389.91 lakh (Previous Year ₹466.38 Lakh) on CSR. The details are as follows:

(Amount ₹ in lakhs)

Sl. No.	CSR Project	2018-19	2017-18
1	Construction of library / reading rooms	25.00	-
2	Class rooms /toilets / computers	40.60	-
3	Skill development training program	86.92	5.07
4	Fixing paver block at school.	8.11	-
5	Surgical equipment to hospital	28.57	-
6	Ambulance for the transportation of injured animals	-	16.29
7	Ambulance to District Hospital	-	3.54
8	Water purifier in school	-	75.25

Sl. No.	CSR Project	2018-19	2017-18
9	Construction of bridge	14.47	-
10	Primary school building/ Library	-	126.34
11	Mobile clinic & dental chairs	37.95	-
12	Medical equipment in Barmani Distt.	45.28	-
13	Braille watches and sound system for blind school	-	1.28
14	Equipment, computers & furniture for school	97.34	-
15	Swatchh Bharat Abhiyan	-	150.00
16	Clean Ganga Mission	-	50.00
17	Toilet at school	-	30.88
18	Remuneration of CSR consultant and third party evaluation payment.	5.67	7.73
	Total	389.91	466.38

Note 39

Revenue from Operation as per Ind AS 115

The Ministry of Corporate Affairs (MCA) on 28th March 2018, notified Ind AS 115 'Revenue from Contracts with Customers' as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The standard is applicable to the Company from 1st April 2018.

Sale of major products has been recognized in the books of accounts in Financial Year 2018-19 as follows:

- The sale of Circulating Coins has been accounted for at CAC Rate (FY 2014-15) duly approved by Ministry of Finance.
- The sale of Bank Notes has been accounted for at pre-determined rates decided by RBI.
- The Sale of Postal Stationery has been accounted for at the rates recommended by the Chief Advisor Cost (CAC), Ministry of Finance, Government of India for the year 2014-15.

The difference, if any, between rates of Coins, Bank Notes & Postal Stationery accounted for as above, and rates to be finalized by CAC based on cost plus return on capital employed approach which is yet to be approved by Ministry of Finance/ RBI shall be

accounted for in the year of approval.

Note 40

Pension Fund Trust Liability

The details of liability towards pension & death cum retirement gratuity for 2018-19 is given below:

As per the actuarial valuation, total amount of liability towards pension and death cum retirement gratuity as on 31.03.2019 is ₹1,43,763.62 lakh. Shortfall after considering the plan assets amounting to ₹36,295.66 lakh as on 31.03.2019 is ₹1,07,467.95 lakh. Total amount of liability provided for in books of accounts till 31.03.2018 was ₹84,636.69 lakh. Therefore, total amount of shortfall to be provided for in books of accounts as on 31.03.2019 was ₹22,831.26 lakh.

(Amount in ₹ lakhs)

Sl. No.	Particulars	As on 31.03.2019	As on 31.03.2018
1	Obligation of Pension and Death cum retirement Gratuity.	143763.61	121006.99
2	Less: Fair value of plan assets of Pension Fund	36295.66	26304.30
3	Shortfall [(1)- (2)]	107467.95	94702.69
4	Liability provided for in earlier years (Net of payment)	84636.69	51198.20
5	Shortfall as at the end of year	22831.26	43504.49
6	Amount charged to Reserve & Surplus (being pertaining to F.Y 2016-17)	-	22768.26
7	Amount charged to Profit and Loss account during F.Y 2017-18 [(5)-(6)]	-	20736.23

Amount of liability as on 31.10.2008 i.e. the date of absorption of Govt. employees to SPMCIL was paid by Ministry of Finance as per the Rule 37-A of the CCS (Pension) Rules, 1972 and liability was not settled on the basis of actuarial valuation. Therefore, amount of liability towards pension and death cum retirement gratuity was recalculated as on 31.10.2008 on the basis of actuarial valuation. Amount of liability as on 31.10.2008 came out to be ₹37,330.85 Lakh. As the Ministry of Finance had paid an amount of ₹18,174 Lakh against this liability, matter has been taken



up with Ministry of Finance to receive the balance amount of ₹19,157 lakh (i.e. ₹37,330 lakh – ₹18,174 lakh). This amount has not been accounted for as receivable from Ministry of Finance during FY 2018-19. Amount shall be accounted for in the year of receipt from Ministry of Finance.

Note 41

Slow Moving/ Non-Moving Inventory

Company is holding stock of slow and non-moving items like stock of CN Coils, P N cathodes, stock of pure nickel etc. aggregating to ₹1,479.32 lakh (Previous Year ₹711.78 lakh). Provision of ₹1,460.03 lakh (Previous Year ₹597.56 lakh) has been created against those obsolete/non-moving items where market value is less than the book value.

Note 42

Buy Back of Shares

In accordance with the Guidelines on Capital Restructuring of CPSEs issued by Department of Investment & Public Asset Management (DIPAM), the Company has bought back 1,182.49 Lakh Equity Shares of ₹10/- each (fully paid) being 10% of aggregate of paid-up equity and free reserves as on 31.3.2017 from Government of India in the year 2017-18. The book value per share was arrived at ₹38.50 per share as per the certificate received

from erstwhile Statutory Auditors of the Company. The free reserves of the Company were utilized for the purpose of aforesaid buyback of shares. The aforesaid buyback of shares was done in compliance of the provisions of Companies Act, 2013 and rules framed thereunder.

Note 43

Funds from Government of India (Adjustable)

Balance in "Funds from Government of India (Adjustable)" Account as on 31.03.2014 was ₹2,878.64 crores. As per the letter No. 3/2/2008-Cy. III/SPMC dated 09.02.2015 the capital structure of the SPMCIL was finalized w.e.f. 01.04.2015 (Letter No. 3/2/2008-Cy.III/SPMC dated 24.07.2015). As per the finalised Capital Structure ₹1,182.44 was transferred to Equity, ₹1,182.44 crores were transferred to Repayable Loan and ₹334.00 crores were transferred to Capital Reserve. The balance amount of ₹179.76 crores is still lying in the "Funds from Government of India (Adjustable)" Account which is yet to be settled with Ministry of Finance.

Note 44

In order to have better presentation the previous year's figures have been re-casted/restated/reclassified, wherever necessary, to conform to current year's classification.

For Ashwani & Associates

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

Membership Number: 084205

Date: 19.06.2019

Place: New Delhi

On behalf of Security Printing and Minting Corporation of India Limited

Sd/-

(Sachin Agarwal)

Company Secretary

(PAN: ADRPA9630Q)

Sd/-

(Ajay Agarwal)

Director (Finance) & CFO

(DIN : 06778079)

Sd/-

(Tripti P. Ghosh)

Chairman and Managing Director

(DIN : 08123112)

Consolidated Financial Statement

2018-19





REVISED INDEPENDENT AUDITOR'S REPORT

To,

**The Members of
SECURITY PRINTING & MINTING CORPORATION
OF INDIA LIMITED**

Revised Report on the Audit of Consolidated Ind AS Financial Statements

Opinion

Our report dated 19th June 2019 on the accounts for the year ended 31st March 2019 has been revised to give effect to the observations made by the Comptroller & Auditor General of India in the supplementary audit carried out by them under Section 143(6)(a) of the Companies Act, 2013.

We have audited the accompanying consolidated Ind AS financial statements of **Security Printing & Minting Corporation of India Limited** (the "Company") which comprise the company and its joint venture '**Bank Note Paper Mill India Pvt. Ltd**' (together referred to as "the Group"), which comprises of the Consolidated Balance Sheet as at 31st March 2019 the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in Equity and the Consolidated Cash Flow Statements, the for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 (referred to as "the Act") in the manner so required and give a true and fair view in conformity with the accounting principles which are generally accepted in India

(including the Ind AS), of the consolidated state of affairs of the group as at March 31, 2019, of consolidated profit including other comprehensive income, its consolidated changes in equity and its consolidated cash flow the for the year then ended.

Basis for Qualified Opinion

We draw attention towards the matters listed in **Annexure-I "BASIS FOR QUALIFIED OPINION"**.

We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

EMPHASIS OF MATTER

We draw attention towards the matters listed in **Annexure-II "EMPHASIS OF MATTER"**. Our opinion is not modified in respect of these matters.

Information other than the Financial Statements and Auditors Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and the Annexures to the Board's Report, Report on Corporate Governance and General Shareholder's Information, but does not include the



consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS 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. As described in the Basis for Qualified Opinion section above, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group

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 consolidated Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company's, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the group's financial reporting process

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 consolidated financial statements

The procedures that we conducted and were required to be conducted form part of this report as **"Annexure-III"**.

Other Matters

- (a) We did not audit the Financial Statement of Joint Venture "Bank Note Paper Mill India Pvt. Ltd.", whose financial statement reflect total assets of ₹1,90,910.46 lakh as at 31st March 2019, total revenue as ₹1,18,426.40 lakh and net cash flow of ₹(16,312.93) Lakh for the year on that date, as considered in the Consolidated Ind AS Financial Statement.

The Consolidated financial statement also includes the Group's share of Net profit of ₹8,886.81 Lakhs for the year ended 31st March 2019 as considered in the Consolidated Ind AS Financial Results, in respect of Joint Ventures, whose Financial Statements are not audited by us. These Financial Statements/ Financial Information have been audited by other auditor, whose report has been furnished to us by the Management and our opinion on Consolidated Financial Statement, in so far as it relates to the amounts and disclosures included in respect of the Joint Venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid jointly venture, is based solely on the reports of the other auditors.

We did not audit the financial statements/ information of 8 branches/units included in the consolidated financial statements of the Company whose financial statements/ financial information reflect total assets of ₹4,44,233.44 lakh as at 31st March 2019 and total revenue of ₹5,18,457.10 lakh for the year ended on that date, as considered in the consolidated financial statements. The

financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors. We cannot comment on such figures as the same are audited by other auditors. Our opinion is not qualified in respect of this matter.

- (b) The comparative consolidated financial statement of the Group for the year ended March 31, 2018 prepared in accordance with Ind AS, included in these consolidated Ind AS financial statements, have been audited by M/s Bhatia & Bhatia, Chartered Accountants, whose audit report dated July 26, 2018 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

Our opinion on the Consolidated Financial Statement, and our report on Other Legal and Regulatory Requirements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the management.

(c) Currency Note Press (CNP), Nashik

a) Non-Agriculture Land - Taxes Payable

The unit has not quantified and provided for Non-Agriculture Land- tax payable on Land for the financial year 2018-19 and earlier years.

b) Insurance Policy

The unit has not obtained transit insurance on dispatching bank notes to RBI. It is explained by management that dispatches are done under heavy security and therefore transit insurance is not considered.

(d) Security Printing Press (SPP), Hyderabad

It is observed that the Unit is making efforts to revise the existing BOM (Bill of Material) Standards which were established a very long time back by using figures obtained by averaging previous five years actual data.

(e) Security Paper Mill (SPM), Hoshangabad

The unit is recognizing revenue on "Budgeted Cost" as the unit earns revenue from the manufacturing & supply of security and currency paper mainly to presses of SPMCIL (BNP-Dewas, CNP-Nashik, ISP- Nashik and SPP-Hyderabad). Revenue from transfer sale of goods is recognised when all significant risk and rewards of ownership of goods have been passed to the buyer, usually on delivery of the goods. Revenue is measured at the budgeted cost of manufacturing.

(f) Corporate Office, Delhi

According to Section 149, of Companies Act, 2013, a company must have a minimum two Independent Directors. But according to explanation and information available the post of one Independent Directors is vacant since 03.01.2018, which contravenes the provisions of Companies Act.

Report on Other Legal and Regulatory Requirements

1. In terms of Sub Section (5) of Section 143 of "the Act", we give in the **"Annexure-V"** a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
2. As required by section 143(3) of "the Act", we report, to the extent applicable, that:
 - a) We have sought and, except for the effects/possible effects of matters described in the **"Basis for Qualified Opinion"** paragraph, obtained all the information and explanations which to

the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

- b) Except for the effects/possible effects of matters described in the **"Basis for qualified opinion"** paragraph, in our opinion proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, except for the effects/possible effects of the matters described in the **"Basis for Qualified Opinion"** paragraph, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of "the Act", read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 164(2) of the Companies Act, 2013 is not applicable to the Group;
- f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **"Annexure-IV"**. Our report expresses a qualified opinion



on the adequacy and on the operating effectiveness of the Group's internal financial control over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of "the Act", as amended, as per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Companies Act, 2013 is not applicable to the Government Companies.
- h) 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, in our opinion and to the best of

our information and according to the explanations given to us:

- i. The group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated Ind AS financial statements – Refer Note 25 to the consolidated Ind AS financial statements;
- ii. The group did not have any material foreseeable losses on long-term contracts including derivative contracts;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the group.

For Ashwani & Associates

Place : New Delhi
Dated : 30.07.2019

Chartered Accountants
FRN : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

M. No. : 084205

UDIN : 19084205AAAAFY5205

ANNEXURE-I TO THE AUDITORS REPORT AS AT 31ST MARCH 2019 BASIS OF QUALIFIED OPINION

1. Corporate Office, Delhi

a) Amounts due / from to Ministry of Finance, Government of India:

The following amounts representing dues from/to Ministry of Finance (MoF) towards liability transferred to SPMCIL on account of Employee benefits need to be reconciled / confirmed:

GL Code	Particulars	Outstanding since	Amount (₹ in lakh)
Due to Ministry of Finance			
13500080	Other Non-Current Liabilities	31.03.2015	696.00
Due from Ministry of Finance			
24500077	PAO / C&C, DEA, MoF, EPF	31.03.2012	901.98
24500078	PAO / C&C, DEA, MoF, GPF	31.03.2012	369.50
24500071	Other Receivables	31.03.2014	8.09

b) Out of the total amount of ₹56,961.60 lakh recoverable from MoF towards sale of goods, an amount of ₹1,745.43 lakh needs to be reconciled/confirmed.

2. Bank Note Paper Mill India Private Limited- Joint Venture

During the period 2010-11 to 2015-16, the company had accounted for the interest earned from unutilised/surplus funds out of equity and other miscellaneous receipts amounting to ₹90.63 crores as capital receipts and adjusted the same against the cost of fixed assets. The Company, in the absence of specific accounting treatment for interest earned during project construction period out of equity infused for setting up the project, had referred the matter to the expert advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) for its expert opinion. The EAC did not concur with the above accounting treatment accorded by the company. In the opinion of the management, the EAC had not considered the fact that the said income is inextricably linked with the project construction and hence filed a review application with the EAC in June 2015 for which there has been no response as yet. So, the Company, based on the recent comprehensive order of Karnataka High Court in its own case and on the legal opinion, has re-submitted to EAC of ICAI, another review application on 20th May 2019 for review & consideration of its earlier opinion. While awaiting response to that, the above accounting treatment is not in line with the pronounced opinion of the EAC.

Adequate disclosure in this regard has been made in Note 40 of the Financial Statements. The impact on account of the above as at March 31, 2019 is understatement of net block of Property, Plant and Equipments by ₹7,072.12 lakh, Deferred Tax Liability by ₹2,471.28 lakh and other Equity by ₹4,600.84 lakh. Consequently, profit of the year is overstated by ₹455.69 lakh.

EMPHASIS OF MATTER

1. As per Note No. 26 to the consolidated financial statements, the Balance Sheet and Statement of Profit and Loss, including the statement of Other Comprehensive Income for the year ended March 31, 2018 have been restated in accordance with the Ind AS 08 - "Accounting Policies, Change in Accounting Estimates and Errors" for rectification of errors relating to the year 2017-18. The relevant disclosure are as follows:-

a) Nature of prior period error related to the year 2017-18

Sl. No.	Particulars	Amount (₹ in lakh)
1.	Performance Related Pay not booked	500.00
2.	Price difference not provided	4,485.00
3.	Non-Reversal of Depreciation on Plant & Machinery	814.75
4.	AMC of SAP and other expenses not booked	133.98

b) Impact of correction of above errors on the consolidated financial statements for the year 2017-18

- Performance Related Pay (PRP) of ₹500 lakh not booked:
 - Increase in Salary, Wages and Allowances under the head 'Employees Benefit expenses' in 'Profit & Loss Account'.
 - Increase in PRP Payable under the head 'Current Provisions' in 'Balance Sheet'
- Price Difference of ₹4,485 lakh not provided:
 - Decrease in operating revenue under the head 'Revenue' in 'Profit & Loss Account'.
 - Decrease in Trade Receivable- current under the head 'Trade Receivable' in 'Balance Sheet'.

3. Non-Reversal of Depreciation on Plant & Machinery of ₹814.75 lakh:

- Increase in Depreciation on Tangible Assets under the head 'Depreciation' in 'Profit & Loss Account'.
- Decrease in Written down value of Plant and Machinery under the head 'Property, Plant and Equipment' in 'Balance Sheet'.

4. AMC of SAP and other expenses of ₹133.98 lakh not booked:

- Increase in Repair & Maintenance- Computers & Networks Charges under the head 'Other Expenses' in 'Profit & Loss Account'.
- Increase in Trade payables- other than MSME under the head 'Trade payable- Current' in Balance sheet.

5. Impact of above errors on Provision for Tax, Deferred Tax Assets and Earnings & Diluted Earnings per share:

- Increase in Deferred Tax Assets by ₹3,161.13 lakh, which is on account of rectification of errors included in para nos. 1 to 4 above, together with rectification of errors of wrong inclusion of capital work in progress (₹75.49 crores), land (₹4.75 crores), and wrong omission of Intangible assets (₹2.05 crores),
- Decline in Provision for Tax by ₹1,598 lakh, and
- Decline in Earnings & Diluted Earnings per share by ₹0.10 per share.

2. As per Note No. 35 to the consolidated Financial Statements balances in the accounts of Sundry Debtors, Sundry Creditors, Advances to Suppliers and Advances from Customers are subject to confirmation.



ANNEXURE-III

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

- Identify and assess the risks of material misstatement of the consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the group 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 ability of the Group 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 condensed consolidated 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 Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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.



ANNEXURE-IV

Annexure referred to in paragraph 2(f) of our report of even date to the members of Security Printing and Minting Corporation of India Ltd. for the year ended 31st March 2019

Report on the Internal Financial Controls 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 **Security Printing & Minting Corporation of India Limited** (the "Company") and relied on the work of statutory auditors of its joint venture 'Bank Note Paper Mill India Pvt. Ltd' (together referred to as "the Group") as of March 31, 2019, in conjunction with our audit of the consolidated Ind AS financial statements of financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the group 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 the group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under "the Act".

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements 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") and the Standards on Auditing as specified under section 143(10) of "the Act", to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these consolidated financial statements 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 with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over consolidated financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 qualified audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements 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 with reference to these financial statements 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 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We did not audit the internal financial controls over financial reporting of Joint Ventures and 8 branches/units included in the consolidated internal financial controls over financial reporting of the Group for the year ended as on 31st March 2019. The internal financial controls over financial reporting of these Joint Ventures and the branches have been audited by the other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the disclosures included in respect of branches, is based solely on the report of such other auditors. We cannot comment on such reports as the same are audited by other auditors. Our opinion is not qualified in respect of this matter.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2019:

- 1. Currency Note Press, Nashik/Corporate Office, New Delhi** - The unit did not have effective internal control in HR module of SAP. Management installed Biometric Attendance



Management System during the year 2018-19 to record the attendance bio-metrically into SAP. However, it is observed that attendance and overtime working was not accounted automatically under SAP and was processed manually.

2. India Government Mint, Noida - According to information and explanation provided to us, no risk mitigation committee was formed to identify the areas of risk, assessment of risk, formulate measures to control or reduce the risk and steps to have effective control.

3. Security Printing Press, Hyderabad - following risk in internal financial controls are identified:

- a) Upon test check, it is revealed that the Purchase Order quantity can exceed 150% of the purchase requisition quantity (considering repeat order clause) and SAP is not restricting the specified quantity.
- b) User within Human Resource department (HRD) are authorised to edit/create the employee master in SAP on the basis of appointment letter/service book of the employee.
- c) SPMCIL portal for applying and approval of leaves is in place but is not used by the employees for marking their leaves. Further, it is also not integrated with SAP. Leaves are manually applied and approved
- d) Attendance management software (AMS) and card swiping device is in place in the unit for recording attendance. Leave records re maintained manually by the HRD and updated manually in SAP. Salary of workmen is processed on the basis of manual attendance register and AMS is not integrated with SAP.

4. Security Paper Mill, Hoshangabad-

- a) Unit is not having maker-checker concept while posting any entries in their SAP-ERP system and the entries are passed by single authorization only. Hence, there is possibility of mistakes/errors in financial statements which may remain undetected.
- b) Unit is not generating the debit notes issued to supplier for items returned/rejected/excess claim etc., through the SAP-ERP system and the same are generated manually. The respective invoices are recorded in SAP-ERP system not of such debit notes to give effect to the debit notes. Hence, the debit notes so issued are maintained out of the SAP-ERP System.

5. India Government Mint, Hyderabad - Finance Module of the ERP software allows the users of a profit center to pass manual entries affecting other profit centers, leading to unintended errors (tagging wrong profit centers). This indicates inappropriate assignment of user rights and controls in the ERP software.

A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the group company's has maintained, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were



operating effectively as of March 31, 2019, 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019, Consolidated Ind AS financial statements of the company, and these

material weaknesses do not affect our opinion on the Consolidated Ind AS financial statements of the Group.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to Joint Venture, which is a company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India

Place : New Delhi
Dated : 30.07.2019

For Ashwani & Associates

Chartered Accountants
FRN : 000497N

Sd/-

(Sanjeeva Narayan)

Partner
M. No. : 084205
UDIN : 19084205AAAAFY5205



ANNEXURE-V

Statement on the Directions/Sub-Directions issued by the Comptroller & Auditor General of India under Sub-section 5 of Section 143 of the Companies Act, 2013, examined by the Statutory Auditors during the course of audit of annual accounts of Security Printing & Minting Corporation of India Limited and its Joint Venture “Bank Note Paper Mill India Pvt. Ltd.” for the year ending 31st March 2019

Compliance Certificate

We have conducted the audit of the accounts of Security Printing and Minting Corporation of India Limited (the ‘Company’) and relied on the work of statutory auditors of it’s Joint Venture “Bank Note Paper Mill India Pvt. Ltd” (the “Joint Venture”) for the year ended March 31, 2019, in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us. Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of the company is as per **Annexure VI(a)**.

For Ashwani & Associates

Chartered Accountants

FRN : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

M. No. : 084205

UDIN : 19084205AAAAFY5205

Place : New Delhi
Dated : 30.07.2019



ANNEXURE-VI(a)

Statement on the Directions/Sub-Directions issued by the Comptroller & Auditor General of India under sub-section 5 of section 143 of the Companies Act, 2013, examined by the Statutory Auditors during the course of audit of annual accounts of Security Printing & Minting Corporation of India Limited and its Joint Venture "Bank Note Paper Mill India Pvt. Ltd." for the year ending 31st March 2019

Sl. No.	Particulars	Auditor's Comment
1.	Whether the Company has system in place to process all the accounting transaction through IT? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financials implication, if any, may be stated.	<p>(a) For the Company</p> <p>As per the information and explanation provided to us, the Company has a system in place to process all the accounting transactions through IT system except as below:-</p> <ul style="list-style-type: none"> (i) There is no effective internal control in HR module of SAP. Management has installed Biometric Attendance Management System during the year 2018-19 to record the attendance bio-metrically into SAP. However, it is observed that attendance and overtime working was not accounted automatically under SAP and was processed manually. (ii) Debit notes issued to supplier for items returned/rejected/excess claim etc., through the SAP-ERP system and the same are generated manually. The respective invoices are recorded in SAP-ERP system not of such debit notes to give effect to the debit notes. Hence, the debit notes so issued are maintained out of the SAP-ERP System. (iii) Finance Module of the ERP software allows the users of a profit centre to pass manual entries affecting other profit centres, leading to unintended errors (tagging wrong profit centres). This indicates inappropriate assignment of user rights and controls in the ERP software. (iv) In Kolkata unit, inventory valuation (including FG, SFG and scrap) has been carried out manually and integrated in SAP through manual entries. <p>The financial implications of the above disclosures cannot be quantified.</p> <p>(b) For the Joint Venture</p> <p>Based on the examination of books of account and according to the information and explanations given to us, the Company has system in place to process all the accounting transactions through IT system. The Company uses accounting software, Tally ERP 9, to process the accounting transactions. However, give the inherent limitations of the accounting software and the size and complexity of the operations of the company, the following were computed using spreadsheets and not integrated with the accounting package:-</p>



Sl. No.	Particulars	Auditor's Comment
		<p>(i) Computation and accounting of Depreciation on Property, Plant and Equipments;</p> <p>(ii) Valuation of raw materials, semi-finished goods and finished goods.</p> <p>Having said that, the Company has designed and established adequate internal controls in place. In our opinion, according to the information and explanation given to us and on the basis of substantive testing of records, there is no implication on the integrity of the books of account.</p>
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	<p>(a) For the Company</p> <p>The Company has not availed any loan during the year. Therefore, financial impact of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan is not applicable.</p> <p>(b) For the Joint Venture</p> <p>Based on the examination of books of account and according to the information and explanations given to us, there is no restructuring of an existing loan or cases of waiver/write off of debts/loans/interest.</p>
3.	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its item and conditions? List the cases of deviation.	<p>(a) For the Company</p> <p>The Company does not have any funds which have been received or are receivable for specific schemes from Central/ State agencies.</p> <p>(b) For the Joint Venture</p> <p>According to the information and explanation given to us and on the basis of examination of records, the Company did not receive funds from Central/State agencies towards any specific schemes.</p>

For Ashwani & Associates

Chartered Accountants

FRN : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

M. No.: 084205

UDIN : 19084205AAAAFY5205

Place : New Delhi
Dated : 30.07.2019

SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

Consolidated Balance Sheet as at 31st March 2019

(All amount in ₹ Lakh, unless otherwise stated)

S. No.	Particulars	Note No.	Figures as at 31 st March 2019	Figures as at 31 st March 2018
I.	ASSETS			
(1)	Non-Current Assets			
	(a) Property, Plant and Equipment	3	1,32,623.54	1,28,664.28
	(b) Capital Work-in-Progress	3	1,178.86	7,549.04
	(c) Other Intangible Assets	4	141.81	205.41
	(d) Financial Assets			
	(i) Investments	5 (i)	72,541.75	63,655.05
	(ii) Trade Receivables	5 (ii)	-	-
	(iii) Loans	5 (iii)	765.42	842.70
	(iv) Others	5 (iv)	5,460.65	5,109.29
	(e) Deferred Tax Assets (net)	6	94,435.66	87,313.58
	(f) Other Non-Current Assets	7	1,779.41	1,689.81
(2)	Current Assets			
	(a) Inventories	8	1,58,833.87	2,41,661.78
	(b) Financial Assets			
	(i) Investments	5(i)	-	9,009.28
	(ii) Trade Receivables	5(ii)	1,72,533.14	1,08,076.16
	(iii) Cash and Cash Equivalents	5(v)(a)	12,291.81	2,856.51
	(iv) Bank Balances other than (iii) above	5(v)(b)	1,44,050.00	48,207.19
	(v) Loans	5 (iii)	147.58	261.36
	(vi) Others	5 (iv)	9,853.78	10,862.31
	(c) Current Tax Assets (Net)	9 (a)	-	5,478.75
	(d) Other Current Assets	10	23,170.98	31,808.17
	Total Assets		8,29,808.24	7,53,250.66
II.	EQUITY AND LIABILITIES			
(1)	Equity			
	(a) Equity Share Capital	11	1,06,424.10	1,06,424.10
	(b) Other Equity			
	- Reserve & Surplus	12	3,63,073.42	3,25,799.41
(2)	LIABILITIES			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13 (i)	-	-
	(ii) Trade Payables	13 (ii)	-	-
	(iii) Other Financial Liabilities	13 (iii)	21,013.70	22,163.27
	(b) Provisions	14 (i)	5.00	5.00
	(c) Employees Benefit Obligations	15 (i)	1,47,769.30	1,37,833.43
	(d) Deferred Tax Liabilities (Net)	6	-	-
	(e) Other Non-Current Liabilities	16	11,336.16	12,473.26
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13 (i)	-	-
	(ii) Trade Payables	13 (ii)	27,069.54	23,774.87
	(iii) Other Financial Liabilities	13 (iii)	-	-
	(b) Other Current Liabilities	17	47,138.10	34,034.69
	(c) Provisions	14 (ii)	84,901.66	78,944.07
	(d) Employees Benefit Obligations	15 (ii)	18,095.07	11,798.55
	(e) Current Tax Liabilities (Net of Advance tax)	9 (b)	2,982.18	-
	Total Equity and Liabilities		8,29,808.24	7,53,250.66

SIGNIFICANT ACCOUNTING POLICIES

1 & 2

Notes referred to above form an integral part of the Balance Sheet and should be read in conjunction therewith.

As per our report of even date attached.

For and on behalf of

Ashwani & Associates

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

Membership Number: 084205

Date: 19.06.2019

Place: New Delhi

On behalf of Security Printing and Minting Corporation of India Limited

Sd/-

(Sachin Agarwal)

Company Secretary

(PAN : ADRPA9630Q)

Sd/-

(Ajay Agarwal)

Director (Finance) & CFO

(DIN : 06778079)

Sd/-

(Tripti P. Ghosh)

Chairman and Managing Director

(DIN : 08123112)

SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

Consolidated Statement of Profit and Loss for the year ended 31st March 2019

(All amount in ₹ Lakh, unless otherwise stated)

S. No.	Particulars	Note No.	For the year ended 31 st March 2019	For the year ended 31 st March 2018
I	Revenue From Operations	18	5,71,133.56	4,40,230.01
II	Other Income	19	11,388.81	19,674.35
III	Total Income (I+II)		5,82,522.37	4,59,904.35
IV	EXPENSES			
	Cost of Materials Consumed	20	2,29,355.86	2,12,490.07
	Purchases of Stock-in-Trade		-	-
	Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	21	41,629.79	(21,342.33)
	Employee Benefits Expense	22	1,27,262.91	1,26,489.85
	Finance Costs	23	-	297.36
	Depreciation and Amortization Expense	3 & 4	12,841.74	13,412.35
	Other Expenses	24	89,913.96	71,496.33
	Total Expenses (IV)		5,01,004.25	4,02,843.63
V	Profit/(loss) before Exceptional Items and Tax (III-IV)		81,518.12	57,060.73
VI	Add: Exceptional Items		-	-
VII	Profit/(loss) Before Tax (V-VI)		81,518.12	57,060.73
VIII	Tax Expense:			
	(1) Current Tax			
	(a) Tax for Current Year		34,031.00	15,428.00
	(b) Tax for Earlier Years		2,023.51	-
	(2) Deferred Tax		(7,323.24)	(20,338.16)
	(3) Mat Credit Entitlement		-	-
IX	Profit / (Loss) for the Year from Continuing Operations (VII-VIII)		52,786.86	61,970.89
X	Profit/(loss) from Discontinued Operations		-	-
XI	Tax Expense of Discontinued Operations		-	-
XII	Profit/(loss) from Discontinued Operations (After Tax) (X-XI)		-	-
XIII	Share of Profit from Joint Venture (Net of Tax)		8,886.70	11,587.45
XIV	Profit/(loss) for the year (IX+XIII)		61,673.56	73,558.34
XV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to Profit or Loss		575.66	4,942.59
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(201.16)	(1,710.63)
			374.50	3,231.96
	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		-	-
			-	-
XVI	Total Comprehensive Income for the Period (XIV+XV)(Comprising Profit (Loss) and Other Comprehensive Income for the year)		62,048.06	76,790.30
XVII	Earnings per Share			
(i)	Basic Earnings per Share of ₹10/- Each		5.83	6.65
(ii)	Diluted Earnings per Share of ₹10/- Each		5.83	6.65

Notes referred to above form an integral part of the Balance Sheet and should be read in conjunction therewith. .

As per our report of even date attached.

For and on behalf of

Ashwani & Associates

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

Membership Number: 084205

Date: 19.06.2019

Place: New Delhi

On behalf of Security Printing and Minting Corporation of India Limited

Sd/-

(Sachin Agarwal)

Company Secretary

(PAN : ADRPA9630Q)

Sd/-

(Ajay Agarwal)

Director (Finance) & CFO

(DIN : 06778079)

Sd/-

(Tripti P. Ghosh)

Chairman and Managing Director

(DIN : 08123112)

SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

Consolidated Cash Flow Statement for the year ended 31st March 2019

(All amount in ₹ Lakh, unless otherwise stated)

Particulars	31 st March 2019	31 st March 2018
A Cash Flow from Operating Activities		
Profit before Tax	90,404.82	68,648.18
<i>Add:</i>		
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and Amortisations of Property Plant and Equipment	12,841.74	13,412.35
Interest Expenses	-	297.36
Loss /(Profit) on Sale of Property Plant and Equipment	(16.50)	(113.57)
Interest Income on FDR	(6,640.38)	(5,141.81)
Interest Income on Income Tax Refund	(773.28)	-
Dividend from Mutual Funds	(23.18)	(454.88)
Provision Created Net of Written Off	28,574.42	-
Other Adjustment	575.66	-
Total	34,538.48	7,999.45
Operating Profit Before Working Capital Changes	c=a+b	76,647.63
<i>Adjustment for</i>		
(Increase)/ Decrease in Trade Receivables	(64,456.98)	65,978.11
(Increase)/ Decrease in Inventories	82,827.91	(62,032.04)
(Increase)/ Decrease in Loans & Advances	191.05	101.66
(Increase)/ Decrease in Other Assets	9,294.37	(7,749.59)
Increase/ (Decrease) in Trade Payable	3,294.68	(18,301.83)
Increase/ (Decrease) in other Current Liabilities	19,399.94	7,729.10
Increase/ (Decrease) in Long Term Provisions	-	2,432.01
Increase/ (Decrease) in Short Term Provisions	(22,616.83)	25,980.21
Increase/ (Decrease) in other Non-Current Liabilities	7,649.19	1,109.36
(Increase)/ Decrease in other Non-Current Assets	(89.59)	55.72
Total	d	15,302.71
Cash Generated from Operations	e=c+d	91,950.34
Less: Tax Paid (Net of Refund)	f	37531.86
Net Cash Flow from Operating Activities	g=e-f	54,418.48
B Cash Flow from Investing Activities		
Interest Income	6,640.38	5,141.81
Dividend Income	23.18	454.88
Sale of Property, Plant & Equipments	1,302.76	115.32
Purchase and Adjustment in Property, Plant and Equipment (Including CWIP)	(11,653.48)	(11,785.81)
(Increase)/ Decrease in Current Investments	9,009.28	1,099.27
(Increase)/ Decrease in Non-current Investments	(8,886.70)	(11,587.45)
Net Cash Flow from Investing Activities	h	(16,561.98)
C Cash Flow from Financing Activities		
Issuance of Share Capital	-	-
Adjustment in Retained Earnings	-	(8,453.39)
Dividend Paid to Equity Shareholders	(20,487.15)	(22,764.00)
Dividend Distribution Tax	(4,286.90)	(4,634.28)
Buy Back of Share Capital	-	(45,525.86)
Tax Paid on Buy Back of Shares	-	(7,775.49)
Change in Capital Reserve Interest Paid	-	(297.36)
Net Cash Flow from Financing Activities	i	(89,450.38)
Cash & Cash Equivalent at the Beginning of the Year	j	1,02,657.58
Net Increase/(Decrease) in Cash or Cash Equivalent	k=g+h+i	(51,593.89)
Cash & Cash Equivalent at the end of the Year		51,063.70

Notes referred to above form an integral part of the Balance Sheet and should be read in conjunction therewith. .

As per our report of even date attached.

For and on behalf of

Ashwani & Associates

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

Membership Number: 084205

Date: 19.06.2019

Place: New Delhi

On behalf of Security Printing and Minting Corporation of India Limited

Sd/-

(Sachin Agarwal)

Company Secretary

(PAN : ADRPA9630Q)

Sd/-

(Ajay Agarwal)

Director (Finance) & CFO

(DIN : 06778079)

Sd/-

(Tripti P. Ghosh)

Chairman and Managing Director

(DIN : 08123112)



SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

Statement of Changes in Equity for the year ended 31st March 2019

A. Equity Share Capital

(Amount in ₹ lakh, unless otherwise stated)

Balance as at April 1, 2017	Change During the year	Balance as at March 31, 2018
1,18,249.00	11,824.90	1,06,424.10
Balance as at April 1, 2018	Change During the year	Balance as at March 31, 2019
1,06,424.10	-	1,06,424.10

B. Other Equity

(Amount in ₹ lakh, unless otherwise stated)

Particulars	Other Equity					Total
	Reserve and Surplus				Other Comprehensive Income (OCI)	
	Capital Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve		
Balance as on 1 st April 2017	33,819.95	20,008.52	2,77,743.81	-	(5,235.06)	3,26,337.23
Net Profit for the Year 2017-18	-	-	73,558.34	-	-	73,558.34
Items of Other Comprehensive Income recognized directly in retained earnings.	-	-		-	3,231.96	3,231.96
Prior Period items	-	-	106.33	-	-	106.33
Disputed Claim			(9,533.97)			(9,533.97)
Depreciation			974.25			974.25
Dividend paid for the previous year	-	-	(22,764.00)	-	-	(22,764.00)
Dividend distribution tax	-	-	(4,634.28)	-	-	(4,634.28)
Buy back of Shares	-	-	(7,775.49)	-	-	(7,775.49)
Transfer to General Reserve for Buy Back of shares	-	-	(25,517.34)	-	-	(25,517.34)
Transfer from Retained earnings for buy back of shares	-	25,517.34	-	-	-	25,517.34
Transfer to Capital Redemption Reserve	-	(11,824.90)	-	11,824.90	-	-
10% Equity Shares bought back during the year		(33,700.96)				(33,700.96)
Balance as on 31 st March, 2018	33,819.95	-	2,82,157.65	11,824.90	(2,003.10)	3,25,799.41
Net Profit for the Year 2018-19	-	-	61,673.56	-	-	61,673.56
Items of Other Comprehensive Income recognized directly in retained earnings.	-	-	-	-	374.50	374.50
Dividend distribution tax			(4,286.90)			(4,286.90)
Dividend paid for the previous year	-	-	(20,487.15)	-	-	(20,487.15)
Balance as on 31 st March, 2019	33,819.95	-	3,19,057.16	11,824.90	(1,628.60)	3,63,073.42

As per our report of even date attached.

For and on behalf of

Ashwani & Associates

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

Membership Number: 084205

Date: 19.06.2019

Place: New Delhi

On behalf of Security Printing and Minting Corporation of India Limited

Sd/-

(Sachin Agarwal)

Company Secretary

(PAN : ADRPA9630Q)

Sd/-

(Ajay Agarwal)

Director (Finance) & CFO

(DIN : 06778079)

Sd/-

(Tripti P. Ghosh)

Chairman and Managing Director

(DIN : 08123112)



SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Principles of Consolidation

The Consolidated Financial Statements (CFS) relate to Security Printing & Minting Corporation of India Pvt. Ltd (SPMCIL) and its Joint Venture named Bank Note Paper Mill India Private Limited (BNPMIPL). The Consolidated Financial Statement have been prepared by following the Equity Consolidation method as applicable under Ind AS-111 in respect of Joint Ventures.

Note 2 Significant Accounting Policies in case of SPMCIL

2.1 Basis of Preparation and Presentation of Financial Statements

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 ('Act') (to the extent notified). 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.

The Group has adopted Ind AS standards and the adoption was carried out in accordance with Ind AS. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies are consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Upto the year ended 31st March 2016, the group has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

2.2 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires 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. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are disclosed at appropriate places.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.3 Current versus Non-Current Classification

The Group 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.

Trade receivables which are expected to be realized within 12 months from the reporting date shall be classified as current. Outstanding more than 12



months shall be shown as non-current only unless efforts for its recovery have been made and it is likely that payment shall be received within 12 months from the reporting date.

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.

A payable has been classified as Trade Payable if it is in respect of the amount due on account of goods purchased or services received in the normal course of business.

Trade payables which are expected to be settled within 12 months from the reporting date shall be shown as current.

The Group classifies all other liabilities as non-current.

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

2.4 Summary of Significant Accounting Policies

2.4.1 Revenue Recognition

The Group earns revenue mainly from printing of currency notes, non-judicial stamp papers, postal stamps, travel documents and minting of circulating coins for Government of India.

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of goods have been passed to the buyer, usually on delivery of the goods. Revenue is measured at the fair value of consideration received or receivable. Amount disclosed as revenue are net of GST.

In case of Coins and Bank Notes, revenue is recognized on the basis of rates approved by the Ministry of Finance as on year to year basis.

The differences, if any, between the billing rates of Coins and Bank Notes and the rates finalized by Chief Advisor Cost, Ministry of Finance are

accounted for in the financial year in which such rates are approved by Ministry of Finance.

Revenue from other products (Postal Stationery, Passport and Non Judicial Stamp Paper) is accounted for on the basis of sales invoices raised by the company.

Revenue from rendering of services is recognized when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity. Revenue from job work is recognized in the same period in which services are rendered.

Dividend income is recognized when the shareholder's right to receive the payment is established which is generally after the shareholder approve the dividend.

Liquidated damages recovered from the vendors are appropriated towards the income on completion of the contract.

2.4.2 Employee Benefits

a) Short-term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Other Long-term Employee Benefit Obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms



approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c) Post-Employment Obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity, pension, post-employment medical plans; and
- (b) Defined contribution plans such as provident fund.

(i) Defined Benefit Plans

The Company gratuity scheme is a defined benefit plan. A defined benefit plan is a post-employment benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits that employee have earned in return for their services in the current and prior periods. As per the order of the Government of India transferring the assets and liabilities of Units to the Company, most of the employees of the units were transferred on deemed deputation for a period of 2 years from the date of transfer i.e. 10/02/2006 which was further extended for another 12 months. A notification was issued by the Government of India to get absorbed in the company. Options were exercised and Government of India accepted absorption of employees in the company on 29th May 2009 but w.e.f. 01/11/2008.

Those employees who decided to remain with Government of India continue to work in the company till they are redeployed by Government of India. Company has to bear their salary and wages. The provisions for pensionary charges (which includes Gratuity)

and Leave salary contribution in respect of these employees and for those holding ex cadre/in cadre posts have been made in accordance with the Government Rules.

Those employees who decided to join the company had two options. They have opted either for "combined Pension" or "Prorata Pension". Combined pension optees are eligible to get their pension from the SPMCIL Pension Trust constituted by Government of India at the time of their superannuation from company. Government of India shall contribute for the past services rendered and company shall contribute for the period they will serve the company. Manner and amount of contribution shall be governed by Rule 37-A of Central Civil Services (Pension) Rules. Provision for pensionary charges of these employees has been made accordingly. This provision includes Gratuity also. However, in the absence of any direction from Ministry of Finance till date, under rule 37- A of Central Civil Services (Pension), company is providing the liability of pension trust as per the actuarial valuation of Pension Trust. In case of any contribution by Govt to the company under Rule 37-A of Central Civil Services (Pension) Rules in subsequent years, the same will be accounted by the company in the Financial Year.

(a) Gratuity

Gratuity is a post-employment defined benefit plan. The liability recognized in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the Balance Sheet date. The Company's liability is actuarially determined at the end of each year. Actuarial gains/ losses through re-measurement are recognized in other comprehensive income.

(b) Pension and Gratuity Obligations

The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation



is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

(c) Post-employment Medical Obligations

Liability in respect of Post-Retirement Medical Benefits, a defined benefit plan, is being provided as per actuarial valuation. The difference between liability balance and accrued liability at the end of the year based on actuarial valuation is charged to other comprehensive income.

(d) Bonus Plans

The company recognizes a liability and an expense for bonuses. The company recognises a provision where contractually

obliged or where there is a past practice that has created a constructive obligation.

(ii) Defined Contribution Plans

The company's provident fund scheme is a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions and will have no obligation to pay further amounts. Obligation for contributions to defined contribution plans are recognized as employees benefit expenses in the statement of Profit and Loss when they are due.

2.4.3 Taxes

a) Current Tax

The current tax expense for the period is determined as the amount of tax payable in respect of taxable income for the period, based on the applicable income tax rates.

Current tax relating to items recognized in other comprehensive income or equity is recognized in other comprehensive income or equity, respectively.

b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted at the

reporting date.

Deferred tax relating to items recognized in other comprehensive income or equity is recognized in other comprehensive income or equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

2.4.4 Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of Property, plant and equipment are stated at historical cost less depreciation and impairment if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items until they are ready for use. 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. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Mobile phone instruments purchased by the staff entitled as per the policy of the company and reimbursed by the company have not been capitalized but charged to the revenue.

2.4.5 Depreciation Methods/Estimated Useful Lives and Residual Value

a) Tangible Assets

Depreciation is provided on prorata basis on Straight Line Method over the estimated useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of the assets where the useful life is different based upon the technical evaluation done by the management. The estimates of the useful

life of assets are as follows:-

Assets	Useful life
Lease hold land	Over the period of lease
Building	60 Years
Factory Building	30 Years
Plant & Machinery	15 years (Single Shift), 10 years (Double Shift)
Furniture & Fixture	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years
Others	10 years
Assets costing less than ₹5000	The year of purchase

The assets residual values and useful life are reviewed by the management at the end of each reporting period. The asset carrying amount is written down to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

b) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives in the manner as prescribed in Schedule II of the Companies Act 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II of the Companies Act 2013 are used:

(i) Computer software costing less than ₹1 lakh	100% in the year of purchase
(ii) Computer software costing more than ₹1 lakh (where the useful life is less than or equal to one year)	100%
(iii) Computer software costing more than ₹1 lakh (in other cases)	33.33% on SLM
(iv) Assets costing less than ₹5000	100% in the year of purchase



2.4.6 Inventories

Inventories are valued at the lower of Cost or Net Realizable Value. Cost incurred in bringing each product to its present location & conditions are accounted as follow:-

- a) Raw Material, Work in Progress and Consumable Stores are valued at cost (Weighted average cost basis).
- b) Finished goods are valued at lower of the cost or net realizable value.
- c) Scraps are valued at net realizable value.
- d) Slow moving/obsolete inventories have been valued at the Cost or at net realizable value.

2.4.7 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognized because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

A contingent asset is neither recognized nor disclosed.

2.4.8 Foreign currency transactions

Foreign currency denominated monetary transactions are recorded at the exchange rates prevailing on the date of respective transactions. Realized gains and losses on foreign currency transactions during the year are recognized in Profit and Loss Account.

Foreign-currency denominated monetary assets and liabilities remaining unsettled at the Balance Sheet date are translated at exchange rates in effect at the balance sheet date. The gains or losses

resulting from such translations are included in the Statement of Profit and Loss.

2.4.9 Financial Instruments

a) Component of Financial Instruments

- (i) Financial Assets includes, in particular, cash and cash equivalents, trade receivables, other current receivables and callable security deposits.
- (ii) Financial Liabilities includes, in particular, borrowings, trade payables and other current payables.

b) Initial Recognitions

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All the financial assets and financial liabilities are recognized at fair value, which represents the transaction cost at the date of transaction.

c) Subsequent Recognition & Impairment

Subsequent recognition of financial assets and financial liabilities are at fair value, if the carrying amount is a reasonable approximation of the fair value it is maintained at that value. Any diminution/impairment in value is recognized in statement of profit and loss as impairment gain /loss..

d) Derecognition of Financial Assets and Financial Liabilities

A financial assets is derecognized when the contractual rights to the cash flow is realized or forfeited. The financial liability is derecognized when the underlying obligation relating to the liability is fulfilled, terminated or extinguished.

2.4.10 Investment

a) In Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.



The investment in joint venture is recognized at Cost.

b) Other Investments

Investments in mutual funds are classified at fair value through the Statement of Profit & Loss account.

2.4.11 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4.12 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.4.13 Cash Flow Statement

Cash Flow are reported using the indirect method as per Ind AS 07, Statement of Cash Flow.

2.4.14 Cash Dividend to Equity Holders

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

2.4.15 Earnings per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders

of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

2.4.16 Leases

Lease payments under an operating lease are recognized as an expense in the profit and loss account on accrual basis.

2.4.17 Non-current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and their related liabilities are presented separately in the balance sheet, if any. Non-current assets are not depreciated or amortized while they are classified as held for sale.

2.4.18 Impairment of Assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



Significant Accounting Policies in case of Bank Note Paper Mill India Pvt. Limited (Joint Venture)

Note No.1 Company Overview and Significant Accounting Policies.

A. Company Information

Bank Note Paper Mill India Private Limited (the Company) is incorporated as Private Company under the provisions of the Companies Act, 1956 (CIN: U21090KA2010PTC055475) and domiciled in India having its corporate & registered office at Entry Gate -1, Administrative Building, Paper Mill Compound, Note Mudran Nagar, Mysore - 570003 with the main objects inter-alia of developing, designing, manufacturing and supplying of Bank Note Paper (CWBN paper) & other security paper. The company is a 50:50 Joint Venture between Security Printing & Minting Corporation of India Limited (A Govt. of India Enterprise) and Bharatiya Reserve Bank Note Mudran Private Limited (A wholly owned subsidiary of Reserve Bank of India). As clarified by Ministry of Finance, Govt. of India, the Company is a Special Purpose Vehicle (SPV) of Govt. of India.

The company is primarily engaged in the manufacturing and sale of CWBN paper to its Joint Venture Partners as per the Joint Venture cum shareholders agreement

B. Business Activities during the year

During the accounting period, the company was in commercial operation of both the lines of production for the full year. This is the 9th accounting period covering twelve months ended on March 31, 2019.

Note No.2 Significant Accounting Policies

A. Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis except certain financial assets and liabilities which are measured at fair value on accrual basis. The methods used to measure fair values are discussed further in notes to financial statements. The financial statements comply in all material aspects

with Ind AS notified under Section 133 of the Companies Act, 2013 (the Act) (Companies (Indian Accounting Standards) Rules, 2015) and other relevant provisions of the Act.

B. Classification of Current and Non-current

Classification between current and non-current assets and liabilities are done on the basis of expected realization/liquidation within twelve months from the reporting date. However, Capital advances are classified as non-current asset.

C. Use of Estimates and Management Judgements

The preparation of the accompanying financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent amounts and liabilities as on the date of financial statement and reported amounts of revenue and expenses during the reporting period. Accordingly, reasonable estimate is made where ever found applicable. The areas involving critical estimates or judgments are:-

- i. **Estimated useful life of Property, Plant & Equipment (PPE)** – The estimated useful life of PPE is based on technical parameters, spare parts support, wear & tear, technological advancement in payment system, pattern of demand for bank note paper. The Company reviews at the end of each reporting date the useful life of property, plant and equipment and are adjusted prospectively, if appropriate.
- ii. **Estimated residual value of PPE** – In view of the security sensitivity of its product and the manufacturing facility which are not freely tradable in the market there may not be a market for retired/discarded assets for assessing the value for sale/disposal. In the assessment of the technical committee the retired/discarded assets can be best disposed off internally. In such a case the residual value of the retired assets is taken as 5% of the original cost as prescribed in Schedule II to the



Companies Act, 2013 which according to the internal committee, is a reasonable estimate.

- iii. **Post-employment benefit plans** - Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, ceiling limit, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate.
- iv. **Provisions and contingencies** - Provisions and contingencies are made in accordance with Ind AS 37 based on best judgment by management regarding the probability of exposure to potential loss.
- v. **Taxation** - Tax expense is calculated using applicable tax rate and relevant judicial pronouncements. Deferred income tax assets are recognized to the extent it is probable that future taxable income will be available against which the deductible temporary differences, unused tax credits & unabsorbed depreciation could be utilised.
- vi. **Fair value measurements** - Some of the Company's financial assets and liabilities are measured at fair value for financial reporting purposes. Information about the valuation techniques are disclosed in Note 32 of explanatory notes to accounts.
- vii. **Indicators for impairment of assets** - Indicators for impairment of assets are evaluated based on internal and external indications such as physical damage, frequent repair and maintenance of assets, technological, economical or legal changes in the market that has an adverse effect on the company's business.

D. Property, Plant and Equipment

- i. Property, plant and equipment (PPE) are stated at cost less accumulated depreciation and impairment, if any. All expenses including administrative and general overhead expenses and related borrowing cost that are directly attributable to construction or acquisition of fixed assets up to the point the related assets are ready for their intended use are accumulated net of capital receipts, if any,

and allocated and capitalised on a systematic basis to the related PPE. The property plant and Equipments are componentised as per internal technical evaluation even though the components are having the same useful life as that of the related machine.

- ii. Initial pack of machinery spares supplied along with the Property, Plant & Equipment (PPE) are capitalised and depreciated over the useful life of the relative PPE. Subsequent acquisition of spares individually costing ₹20 lakhs and above which meets the definition of PPE as given in Ind AS 16 are capitalised along with the related PPE and depreciated over the lower of its useful life or the remaining expected useful life of the equipment which it is associated.
- iii. In case of assets put to use where final settlement of bills of contractors is pending, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.
- iv. Subsequent expenditures relating to PPE are capitalised only when it is probable that, future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.
- v. Property, Plant and Equipment is de-recognized where no future economic benefits are expected from their use or upon their disposal/discardal/write-offs/impairments. The resultant gain or losses are recognised in the statement of profit and loss.
- vi. Assets held for disposal are reported at the lower of the carrying value and net realisable worth.
- vii. Repairs and maintenance costs except major repairs and overhaul expenses are recognised in the statement of profit and loss when incurred.

E. Depreciation and Amortisation:

- i. The company depreciates PPE over their useful lives using the straight line method as specified in Schedule II to the Companies Act, 2013 except, the following assets on which depreciation is provided on their estimated useful life ascertained on technical evaluation:



Assets	Useful life	Residual Value	Depreciation Rate (SLM)
Plant & Machinery	-	-	-
Continuous Process Plant	12 Years	5% of cost	7.92%
Improvements in the Leasehold building	5 Years	5% of cost	19.00%
Reference Books	1 Year	NIL	100.00%

- ii. Items of assets valuing ₹5000/- or less in each case is charged off @ 95% (5% is taken as residual value) in the year of acquisition.
- iii. Based on technical evaluation, the management considers that, the useful lives as given above best represent the period over which the economic benefits can be utilised with the same standards of performance.
- iv. Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in price adjustment, in final settlement of contractors' bills, changes in duties or similar other factors, the un-amortized balance of such assets is charged off prospectively over the remaining useful life of the related assets.

F. Capital Work-in-Progress:

- i. The cost of assets under construction/ inspection/erection etc. and not put to use during the period are disclosed under "Capital Work in-progress". Expenses/income which are directly attributable to such assets under construction etc. are also accumulated under the head pre-operative expenses pending allocation.

G. Intangible Assets:

- i. Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost less accumulated amortization and impairment, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Intangible assets such as Computer Software and Licenses are amortised on Straight Line Method @ 100% in the year it is put to use/ready for use.
- ii. Intangible asset such as Company Logo/ Trademark are being amortised on straight line basis @ 20% p.a.

- iii. Intangible assets under development - Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.
- iv. An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal are recognized in the statement of profit and loss.

H. Valuation of Inventory

- i. **Raw Materials** – Inventories are carried at cost or net realisable value whichever is lower. Cost is determined using the weighted average method.
- ii. **Non-Interchangeable inventories-** Denomination specific security threads are not ordinarily interchangeable which are segregated and valued by using specific identification of their individual costs or net realisable value whichever is lower.
- iii. **Stores & Spares** - are carried at cost or net realisable value whichever is lower. Necessary provision is made and expensed in case of identified obsolete and non-moving items.
- iv. **Finished goods and work in progress** – are valued at cost or net realisable value whichever is lower. Cost includes direct materials, labour and other manufacturing overheads, which are absorbed on the normal capacity of production.
- v. Net realisable value means estimated selling price in the ordinary course of business, less estimated cost of completion/ the estimated costs necessary to make the sale as may be applicable.

I. Foreign Currency Transactions/Translations:

Foreign currency is a currency other than the functional currency of the company.

- i. **Functional Currency** - The functional currency of the company is Indian rupee. These financial statements are presented in Indian rupees (Rounded off to nearest two decimal points of lakh of Rupees.).



- ii. **Transactions and translations** – Foreign currency transactions are accounted for at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are recognised in the statement of profit & loss for the period in which it occurs.

J. Revenue Recognition

- i. Revenue from operation: Sale of CWBN paper is recognised upon transfer of control to buyer within the accounting period. Sale revenue includes Freight, Insurance, Escorts charges, applicable duties, taxes & cess except GST.
- ii. Other Income: Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Other income is recognised when it can be measured reliably with reasonable certainty of realisation or on actual realisation whichever is earlier. Revenue includes duties & taxes where ever it is applicable.

K. Financial Instruments

Component of financial Assets & Liabilities:

- i. Financial Assets include, in particulars, cash and cash equivalents, trade receivables, investment in liquid and liquid plus mutual fund schemes, other current receivables and callable security deposits;
- ii. Financial liabilities include, in particular, borrowings, trade payables and other current payables.

Initial Recognition:

The company recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instruments at fair value, which represents the transaction cost on the date of transaction.

Subsequent recognition & impairment:

Financial Assets are recognised at fair value at the year end and Financial Liabilities are measured at amortised cost. If the carrying amount is a reasonable approximation of the fair value it is maintained at that value. Any diminution/impairment in value is recognised in statement of profit and loss as impairment gain/loss. Information about the valuation techniques are disclosed in Note 32 of explanatory notes to accounts.

Offsetting of financial Assets & Liabilities:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

De-recognition of financial assets and liabilities:

A financial asset is derecognised when the contractual rights to the cash flows is realised or ceased. The financial liability is derecognised when the underlying obligation relating to the liability is fulfilled, terminated or extinguished.

Derivative Financial Instruments:

The company designs forward currency contracts as cash flow hedge. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken to statement of profit and loss.

L. Employee Benefits

Short term Employee Benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short



term compensated absences etc. and the expected cost of bonus, ex-gratia, if any, are recognised in the period in which the employee renders the related service.

Liabilities recognised in respect of other long-term employee benefits such as accumulated non vesting sick leave are measured based on the actuarial valuation using projected unit credit method and are unfunded.

Post - Employment Benefits:

Provident fund scheme -The Company pays fixed contribution to provident fund at pre-determined rates. The contribution to the fund for the period is recognised as expenses and is charged to statement of profit and loss.

Gratuity and leave salary - The employee gratuity scheme and leave salary are classified as defined benefit retirement plan. The present value of the obligation under such defined benefit plans are determined based on actuarial valuation using projected unit credit method and are unfunded. Accretion/decretion to liability is recognised in other compressive income and expense. Non-accumulating compensated absences are recognised in the period in which the absences occur.

M. Other Provisions

Provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation.

N. Cash Flow Statement

Cash flows are reported using the indirect method as per Ind AS 07. Cash and cash equivalent in the Balance Sheet comprise cash at banks, cash/cheques on hand and fixed deposits that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value.

O. Income Taxes

- i. Income tax expense comprises current and deferred income tax. Income tax expense is recognised in the statement of profit and

loss except to the extent it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

- ii. The current tax is net of Minimum Alternate Tax (MAT) credit entitlement, which is recognised when there is convincing evidence that, the company will pay normal income tax during the specified period over which credit set off is allowed under the Income Tax Act.
- iii. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets or liabilities are reviewed at each reporting date and are adjusted to the extent it is no longer probable that the related tax benefit will be realised.
- iv. Deferred income tax assets and liabilities are measured using tax rates and applicable tax laws as at the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The deferred tax assets are recognised only to the extent it is probable that sufficient future taxable income will be available.

P. Earning per equity share

- i. Basic earnings per equity share is computed by dividing the net profit after tax attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.
- ii. Diluted earnings per equity share is computed by dividing the net profit after tax attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earning per equity shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Q. Leases:

Leases represent operating leases which are recognized as an expense based on the lease terms and conditions in the statement of profit and loss.

Note 3 Property, Plant & Equipment

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Gross Block				Depreciation				Impairment			Total net carrying amount	
	Balance as on 01.04.2018	Additions	Disposals	Adjustment	Balance as on 31.03.2019	Balance as on 01.04.2018	Depreciation for the year	Adjustment	Disposal	Balance as on 31.03.2019	Balance as at 31.03.2019	Balance as on 31.03.2019	Balance as on 31.03.2018
Property Plant & Equipment													
Land	475.71	-	-	-	475.71	-	-	-	-	-	-	475.71	475.71
Lease Hold Land	190.47	-	-	-	190.47	-	-	-	-	-	-	190.47	190.47
Building	7,598.28	1,806.77	-	(69.34)	9,474.39	850.06	2.78	-	-	11.11	-	179.36	182.14
Factory Building	11,086.66	468.00	-	(4,727.18)	16,281.83	1,381.72	441.72	-	-	1,291.78	-	8,182.61	6,748.22
Plant and Equipment	1,32,292.55	7,106.48	210.12	(1,232.40)	1,40,421.31	25,471.77	548.89	-	-	1,930.61	-	14,351.22	9,704.94
Furniture and Fixtures	763.45	225.64	1.82	(0.07)	987.34	242.71	98.97	-	198.93	36,116.78	3.19	1,04,301.35	1,06,817.59
Vehicles	257.41	50.27	1.45	-	306.22	93.33	35.13	-	1.81	339.87	-	647.47	520.75
Office Equipments	721.21	228.91	19.91	-	930.21	372.89	100.84	0.11	1.43	127.03	-	179.19	164.07
Other Equipments													
- Computers & Printers	1,469.57	138.74	18.97	0.87	1,588.47	966.24	152.89	1.04	8.82	1,109.27	-	479.20	503.33
- Railway Siding	200.30	208.84	-	-	409.14	22.94	12.90	-	-	35.84	-	373.30	177.36
- Electrical Installation	4,085.50	377.06	-	-	4,462.56	1,329.74	459.10	-	-	1,788.84	-	2,673.72	2,755.76
- S&D Assets	15.59	-	-	-	15.59	-	-	-	-	-	-	15.59	15.59
- R&D Assets	280.87	1.02	-	-	281.89	52.54	32.55	-	-	85.09	-	196.80	228.33
- Tools	0.12	-	-	-	0.12	-	0.01	-	-	0.01	-	0.11	0.12
- Lower Asset Value	0.52	0.95	-	-	1.47	0.52	0.94	-	-	1.46	-	0.00	-
- Lab Equipments	32.92	79.68	(12.50)	-	125.10	10.87	9.78	-	(0.49)	21.13	-	103.96	22.05
TOTAL	1,59,471.13	10,692.34	239.77	(6,028.13)	1,75,951.84	30,803.66	12,740.45	1.15	217.86	43,325.10	3.19	1,32,623.54	1,28,664.28
Previous Year	1,50,162.33	9,576.01	326.20	(59.00)	1,59,471.13	18,810.98	13,277.20	975.48	309.04	30,803.66	0.80	1,28,664.28	1,31,350.55
Capital Work in Progress	7,549.04	1,432.02	1,264.35	6,537.85	1,178.86	-	-	-	-	-	-	1,178.86	7,549.04
TOTAL	7,549.04	1,432.02	1,264.35	6,537.85	1,178.86	-	-	-	-	-	-	1,178.86	7,549.04
Previous Year	6,364.76	3,869.51	2,574.78	110.45	7,549.04	-	-	-	-	-	-	7,549.04	6,364.76

Note 4 Intangible Assets

Particulars	Gross Block				Depreciation				Total net carrying amount		
	Balance as on 01.04.2018	Additions	Disposals	Adj.	Balance as on 31.03.2019	Balance as on 01.04.2018	Depreciation for the period	Adj.	Disposals	Balance as on 31.03.2019	Balance as on 31.03.2018
Computer Software	692.63	38.84	-	-	731.47	487.22	102.44	-	-	141.81	205.41
Total	692.63	38.84	-	-	731.47	487.22	102.44	-	-	141.81	205.41
Previous Year	684.06	9.46	-	0.89	692.63	352.07	135.15	-	-	205.41	331.99



SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

NOTES TO BALANCE SHEET & STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED
31ST MARCH 2019

Note 5 (i)

(a) Non Current Investments

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Investment in Equity Instruments in Joint Venture at Cost (Unquoted Equity Shares of Bank Note Paper Mill India Pvt Ltd. {JV of Security Printing and Minting Corporation of India Ltd and Bhartiya Reserve Bank Note Mudran Pvt Ltd [40,00,00,000 Shares @ ₹10 each]})	72,541.75	63,655.05
Total Investment	72,541.75	63,655.05

(b) Investments - Current

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Investment in Mutual funds - Quoted		
SBI Mutual Fund	-	9,009.28
UTI Treasury Advantages Fund' (Valued at Fair value)	-	-
Total Investment	-	9,009.28

Note 5 (ii)

(a) Trade Receivables - Non Current

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(i) Trade Receivables		
- Doubtful	67,617.16	67,986.72
Total (A)	67,617.16	67,986.72
(i) Allowance for Bad Debts	42,793.35	43,162.91
(ii) Provision for Rate Difference	24,823.81	24,823.81
Total (B)	67,617.16	67,986.72
Total Trade Receivables (A-B)	-	-



(b) Trade Receivables - Current

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(i) Trade Receivables		
(a) Secured, Considered Good	-	-
(b) Unsecured, Considered Good	1,77,018.14	1,12,561.16
Total (A)	1,77,018.14	1,12,561.16
(i) Rate Differences (Based on 2014-15 rates)	4,485.00	4,485.00
Total (B)	4,485.00	4,485.00
Trade Receivables (C) i.e. (A-B)	1,72,533.14	1,08,076.16
(iii) Debts Due by Directors / Related Parties	-	-
Total (D)	-	-
Total Trade Receivables	1,72,533.14	1,08,076.16

Note 5 (iii)

(a) Loans - Non current

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(a) Security Deposit		
(a) Secured, Considered good	-	-
(b) Unsecured, Considered Good	269.23	257.68
(c) Doubtful	-	-
Total (A)	269.23	257.68
(b) Loans Due from Directors / Related Parties		
(a) Secured, Considered Good	-	-
(b) Unsecured, Considered Good	-	-
(c) Doubtful	-	-
(d) Which have Significant Increase in Credit Risk	-	-
(e) Credit Impaired	-	-
Total (B)	-	-
(c) Other loans		
(a) Secured, considered good		
- Loan due from employees	483.89	551.82
(b) Unsecured, considered good		
- Loan due from employees	12.29	33.19
(c) Doubtful	-	-
(d) Which have Significant Increase in Credit Risk	-	-
(e) Credit Impaired	-	-
Total (C)	496.19	585.01
(d) Allowance for bad and doubtful loans	-	-
Total (D)	-	-
Loans Due (E) i.e. (A+B+C-D)	765.42	842.70
(f) Loans due from Directors	-	-
Total (F)	-	-
Total Loan (E+F)	765.42	842.70



(b) Loans - Current

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(A) Security Deposit		
(a) Secured, Considered Good	2.22	1.37
(b) Unsecured, Considered Good	-	-
(c) Doubtful	-	-
Total (A)	2.22	1.37
(B) Other Loans	-	-
(a) Loans Receivable Considered Good- Secured	-	-
(b) Loans Receivable Considered Good- Unsecured	-	-
- Loans to Employees	145.36	259.99
(c) Loans Receivable which have Significant Increase in Credit Risk: and	-	-
(d) Loans Receivable Credit Impaired	-	-
Total (B)	145.36	259.99
Total Loan (A+B)	147.58	261.36

Note 5 (iv)

(a) Others - Non-Current

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(a) Security Deposit		
- Deposit with CISF	406.80	406.80
- Deposit with Electricity Board	1,018.27	994.67
- Deposit with Tax Authorities/other	3,888.04	3,567.00
(b) Other advances	147.54	140.82
Total	5,460.65	5,109.29

(b) Others - Current

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Deposits with Other Department	1.15	1.15
Other Advances	41.21	-
Other Advances to Employees	10.40	21.69
Other Advances Receivables	3,679.85	5,044.59
Interest Receivables on FDR	358.79	32.71
Assets held for Sale	5,762.38	5,762.17
Total	9,853.78	10,862.31

Note 5(v)

Cash & Cash Equivalents

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
a)		
Balances with Banks	12,284.31	2,491.96
Cheques, Draft on Hand	-	359.95
Cash on Hand	3.90	2.25
Postage on Hand	3.60	2.35
Total Cash & Cash Equivalents	12,291.81	2,856.51
b)		
Bank Balances other than above		
- FDR (Maturity period more than 3 months)	1,44,050.00	48,207.19
Total Bank Balances	1,44,050.00	48,207.19

Note 6

Deferred Tax Assets & Liabilities

The tax effects of the significant temporary differences hat resulted in deferred tax assets/liabilities are as follows:

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Deferred Tax Assets/(Liabilities)		
Property, Plant and Equipment	(16,391.91)	(15,501.74)
Current Liabilities, Trade Receivables and Provisions	1,10,827.58	1,02,815.32
Net Deferred Tax Assets	94,435.66	87,313.58

Note 7

Other Non-current Assets

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Other Receivables	8.36	8.54
Advance to PAO	34.61	34.91
PAO/C&C DEA Ministry of Finance (EPF)	901.98	901.98
PAO/C&C DEA Ministry of Finance (GPF)	369.50	369.50
Advance to others	0.82	0.82
Non Moving Inventory	1,479.32	711.78
Other advances receivables	444.85	259.85
Less: Provision for non moving inventory	(1,460.03)	(597.57)
Total	1,779.41	1,689.81



Note 8

Inventories (At lower of Cost or Net Realisable Value)

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(a) Raw Materials		
- Raw Materials	76,505.76	1,19,368.56
- Raw Material in Transit	873.96	117.65
(b) Work-in-progress	37,020.88	56,976.57
(c) Finished goods	22,136.10	44,108.58
(d) Traded goods	-	-
- Goods in transit	4,580.20	2,278.86
(e) Stores and spares	13,596.79	12,917.75
(f) Others	-	132.51
(e) Others- Scrap	3,571.24	5,454.83
- Other Inventory	548.94	306.46
Total Inventories	1,58,833.87	2,41,661.78

Note 9 (a)

Current Tax Assets (Net)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Balance with Income Tax Authority		
Advance Tax including TDS	-	20,906.75
Less: Provision of Income Tax	-	15,428.00
Current Tax Assets - Net	-	5,478.75

Note 9 (b)

Current Tax Liabilities (Net of Advance Tax)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Provision for Income Tax	95,413.38	-
Less: Advance Tax/ TDS	92,431.20	-
Current Tax Liabilities (Nett of Advance tax)	2,982.18	-

Note 10

Other Current Assets

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Prepaid expenses	300.10	205.87
Balance with excise authorities	0.64	2,900.89
Balance with sales tax / GST authorities	13,341.45	16,824.28



Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Balance with Income Tax Authorities	2.70	0.78
Assets held for disposal	0.07	0.07
PAO/C&C DEA Ministry of Finance (EPF)	-	-
PAO/C&C DEA Ministry of Finance (GPF)	-	-
Commemorative coins	0.96	0.78
Other receivables	174.98	110.36
Advances to suppliers	9,294.61	11,732.32
Advances to CPWD	55.46	10.68
Advances to BSNL	-	22.14
Total	23,170.98	31,808.17

Note 11

Issued Share Capital

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Authorised Capital		
2,50,00,00,000 Equity Shares of ₹10 Each	2,50,000.00	2,50,000.00
Issued and subscribed capital		
118,24,90,000 Equity Shares of ₹10 Each	1,18,249.00	1,18,249.00
	1,18,249.00	1,18,249.00
Paid-up Capital		
106,42,41,000 Equity Shares of ₹10 Each (Previous Year 106,42,41,000 Equity Shares of ₹10 Each)	1,06,424.10	1,06,424.10
Total	1,06,424.10	1,06,424.10

Note 11A

Reconciliation of equity shares outstanding at the beginning and at the end of year

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Equity Shares at the beginning of the year	1,06,42,41,000	1,18,24,90,000
Add: Shares issued during the year	-	-
Less: Shares buyback during the year	-	11,82,49,000
Equity Shares outstanding at the end of the year i.e. as on 31st March 2019	1,06,42,41,000	1,06,42,41,000

Note 11B

Details of shares held by the holding company, their subsidiaries and associates : NIL



(All amount in ₹ lakhs, unless otherwise stated)

Note 11C

Details of shareholders holding more than 5% of the equity share capital of the Company

Particulars	Figures as at 31 st March 2019 No. of Shares in lakhs	Figures as at 31 st March 2018 No. of Shares in lakhs
a) President of India through Shri Prashant Goyal, JS(C&C), DEA, MOF (Previous year President of India through Shri Anurag Agarwal, JS(ACC), DEA, MOF	10,642.41	10,642.41
b) % of No of shares	99.99	99.99

Note 11D

Terms and rights attached to the equity shares of the Company : Nil

Note 12

Reserve & Surplus

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(a) Capital Reserve	33,819.95	33,819.95
(b) General Reserve	-	-
(c) Retained Earnings (Surplus)	3,17,428.57	2,80,154.57
(d) Capital Redemption Reserve	11,824.90	11,824.90
Total Reserve & Surplus	3,63,073.42	3,25,799.41
(a) Capital Reserve		
As per last statement of financial position	33,819.95	33,819.95
Add: Current year transfer	-	-
Less : Written back in current year	-	-
Total Capital Reserve	33,819.95	33,819.95
(b) General Reserve		
As per last statement of financial position	-	20,008.52
Add : Current year transfer	-	25,517.34
Less : Transfer to Capital Redemption Reserve	-	11,824.90
Less : Buyback of shares	-	33,700.96
Total General Reserve	-	-
(c) Retained Earnings		
As per last statement of financial position	2,80,154.57	2,72,509.02
Add : Net Profit/(Loss) for the current year	61,673.56	73,558.34
Add : Items of other comprehensive income recognized directly in retained earnings	374.50	3,231.96
Add : Prior Period Items	-	106.34
Less : Disputed Claim	-	(9,533.97)
Add : Depreciation	-	974.25
Less : Dividend paid for the previous year	(20,487.15)	(22,764.00)
Less : Dividend Distribution Tax	(4,286.90)	(4,634.28)
Less :Tax on Buy back	-	(7,775.49)
Less : Buy Back Share	-	(25,517.34)
Total Retained Earnings	3,17,428.57	2,80,154.57
d) Capital Redemption Reserve		
As per last statement of financial position	11,824.90	-
Add : Current year Transfer	-	11,824.90
Less : Written back in current year	-	-
Total Capital Redemption Reserve	11,824.90	11,824.90



Financial Liabilities - Non-Current Borrowing

Note 13 (i)

Borrowings

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Loans & Borrowings	-	-
Total Non-Current Borrowings	-	-

Note 13 (ii)

Trade Payables

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(a) Non Current		
- Trade Payables		
(A) Total outstanding dues of micro and small enterprises: and	-	-
(B) Total outstanding dues of creditors other than micro and small enterprises.	-	-
Total Non Current Trade Payable	-	-
(b) Current		
- Trade payables	-	-
(A) Total outstanding dues of micro and small enterprises: and	5,298.18	2,691.89
(B) Total outstanding dues of creditors other than micro and small enterprises	21,771.36	21,082.97
Total Current Trade Payable	27,069.54	23,774.87
Total Trade Payables	27,069.54	23,774.87

Note 13(iii)

Other Financial Liabilities

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Other Financial Liabilities - Non-Current		
Funds from GOI - Adjustable	17,976.76	17,976.76
Adjustment during the Year	3,036.94	4,186.51
Funds Adjustable from Govt of India - Total (a)	21,013.70	22,163.27
Other Financial Liabilities - Current	-	-
Total (b)	-	-



Note 14

Provisions

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(i) Non-Current Provisions		
Other Provision		
- Provision for Disputed Claims	5.00	5.00
Total Non-Current Provisions	5.00	5.00
(ii) Current Provisions		
Other Provisions		
- Other Short Term Provisions	6,405.36	5,289.65
- Provision for Disputed Claims	78,496.30	73,654.42
Total Current Provisions	84,901.66	78,944.07

Note 15

Employees Benefit Obligations

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
(i) Non-Current Provisions		
(a) Provision for Employee Benefits		
- Provision for Gratuity	15,893.95	14,843.48
- Provision for Leave Encashment	25,459.61	24,319.44
- Provision for Pensionary Charges Contribution	-	-
- Provision for Leave Salary Contribution	-	130.77
- Provision for Ex-Gratia	51.29	123.90
- Provision for Pension Trust Liability	99,937.06	94,702.69
- Provision for Post Retirement Medical Benefits	6,427.38	3,713.16
Total Non-Current Employees Benefit Obligations	1,47,769.30	1,37,833.43
(ii) Current Provisions		
(a) Provision for Employee Benefits		
- Provision for Leave Salary and Pensionary Charges	42.84	44.82
- Provision for Gratuity	2,239.59	1,813.01
- Provision for Ex-Gratia / Bonus	330.51	362.32
- Provision for Leave Encashment	3,948.90	3,027.75
- Provision for Compensation in Lieu of Compassionate appointments	529.69	531.59
- Provision for PRP PAYABLE 2016-17	-	52.00
- Provision for PRP 16-17 & 17-18	-	312.00
- Provision for Pension Trust Liability	7,530.90	-
- Provision for Post Retirement Medical Benefits	2,053.64	2,281.29
- PRP Payable	1,152.12	1,000.00
- Other employees benefits short term provisions	266.89	2,237.81
- Arrears 3 rd PRC	-	135.96
Total Current Employees Benefit Obligations	18,095.07	11,798.55



Note 16

Other Non-Current Liabilities

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Other Non-Current Liabilities (Diff. Amount Received From RBI)	11,336.16	12,473.26
Total Non-Current Liabilities	11,336.16	12,473.26

Note 17

Other Current Liabilities

Particulars	Figures as at 31 st March 2019	Figures as at 31 st March 2018
Employee's Claim	8.29	18.27
Advances from Customer	30,117.68	18,723.66
Earnest Money Deposit (EMD)	444.69	396.99
Security Deposit of Supplier/Vendors	1,010.93	607.15
Payable to PAO	54.44	96.18
Statutory Dues Payable	7,618.91	6,016.15
Octroi Payable	-	-
Salaries and Wages and other Employee Benefit Payable	1,969.39	1,961.24
Recovery from Salary Payable to concerned Authorities	943.96	833.09
Expenses Payable	3,697.75	2,970.10
Contribution to SPMCIL Pension Trust Payable	130.62	126.66
Pensionary Charges Payable	111.56	113.99
Bank Book Overdraft	410.75	1,035.00
Other Current Liabilities	614.40	1,093.91
Capital Goods Creditors	-	40.94
Claim Difference	4.51	0.45
Gratuity Withheld	0.22	0.90
Total Other Current Liabilities	47,138.10	34,034.69



Note 18

Revenue

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
(A) Sale of Products		
- Sale of Notes	2,41,918.95	1,96,560.11
- Sale of Coins	1,84,617.59	1,42,643.24
- Sale of Medals and Commemorative Coins	5,505.37	5,635.56
- Sale of Ink	6,967.13	714.36
- Sale of Passport & Allied	47,224.13	36,889.17
- Sale of Postal Items	2,093.88	2,374.66
- Sale of Non-Postal Items	4,486.04	5,269.58
- Sale of NJSP	51,000.48	36,608.92
- Sale -Others	17,049.11	7,058.24
Total (A)	5,60,862.68	4,33,753.84
(B) Sale of Services		
- Job Work	883.50	943.99
- Other Service	11.61	31.28
Total (B)	895.10	975.27
(C) Other Operating Revenue		
- Sale of Scrap	9,203.64	9,693.85
- Other Operating Activities	172.13	92.63
- Rate Difference	-	(4,285.59)
Total (C)	9,375.78	5,500.90
Total Revenue from Continuing Operations (A+B+C)	5,71,133.56	4,40,230.01

Note 19

Other Income

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
(a) Interest Income		
- Interest Income	6,640.38	5,141.81
TOTAL (A)	6,640.38	5,141.81
(b) Dividend Income		
- Dividend Income from Mutual Fund	23.18	454.88
TOTAL (B)	23.18	454.88
(c) Other Non-operating Income (Net of Expense directly attributable to such Income)		
- Foreign Exchange Fluctuation Gains/ (Loss)	367.93	471.43
- Profit on Sale of Fixed Assets	16.51	113.57
- Other Income	2,357.02	2,947.51
- Provisions/Liabilities Written Back	1,983.80	10,545.15
TOTAL (C)	4,725.25	14,077.66
Total Other Income (A+B+C)	11,388.81	19,674.35

Note 20

Cost of Materials Consumed

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Cost of Material Consumed	2,29,355.86	2,12,490.07
Total Cost of Materials Consumed	2,29,355.86	2,12,490.07

Note 21

Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Opening Balance		
Work in Progress	56,976.57	70,418.56
Finished Goods	44,108.57	6,545.91
Goods in Transit	2,278.86	2,856.44
Scrap	5,573.83	7,774.59
Total Opening Balance (A)	1,08,937.84	87,595.50
Closing Balance		
Work in Progress	37,020.88	56,976.57
Finished Goods	22,136.06	44,108.57
Goods in Transit	4,580.20	2,278.86
Scrap	3,570.91	5,573.83
Total Closing Balance (B)	67,308.05	1,08,937.84
Total changes in Inventories of Finished Goods, Stock in Trade and Work in Progress (A-B)	41,629.79	(21,342.33)

Note 22

Employee Benefit Expense

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Salaries, wages and allowances	68,015.95	69,055.81
Overtime	18,483.26	15,387.11
Incentive	14,476.16	13,461.47
LTC	360.93	307.26
Medical	2,598.58	2,287.22
Employer Contribution to EPF	3,967.60	4,347.82
Leave salary & pensionary charges contribution	795.83	876.68
Contribution to SPMCIL pension trust	1,738.22	1,910.91
Leave encashment	7,239.61	8,238.65
Gratuity	3,150.42	6,960.55
Staff welfare expenses	273.22	121.31
Other employee benefits	2,291.03	1,524.45
Post retirement medical benefits	3,872.11	2,010.62
Total employee benefit expenses	1,27,262.91	1,26,489.85



Note 23

Finance Cost

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Interest Cost on Loan from Ministry of Finance	-	-
Interest Cost on Loan from Bank	-	297.36
Total	-	297.36

Note 3 & 4

Depreciation and Amortization Expense

(Amount in ₹ lakhs)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Depreciation on Property Plant and Equipment	12,739.30	13,277.20
Amortisation of Intangible Assets	102.44	135.15
Total	12,841.74	13,412.35

Note 24

Other expenses

(Amount in ₹ lakhs)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
(A) Other Manufacturing Expenses		
- Consumption of Stores, Spare and Components	9,002.45	8,532.50
- Power, Fuel and Water	7,778.39	7,501.86
- Repairs & Maintenance to Machinery	959.50	516.33
- Repairs & Maintenance to Factory Building	999.00	1,110.10
- Packing Expenses	2,165.30	2,173.70
- Other Manufacturing Costs	666.38	553.16
Total (A)	21,571.02	20,387.65
(B) Administrative Expenses		
- Advertisement	185.89	202.83
- Commission (Auction & Other)	249.90	305.75
- Audit fees	67.83	45.16
- Bank charges	4.02	4.29
- Bad debts written off	2.20	-
- Canteen expenses(Net of Receipts)	224.00	257.17
- Dispensary expenses	84.11	164.55
- Environmental charges	45.48	90.65
- Fees & honorarium	41.94	21.50
- Freight outward	1,488.57	1,229.55
- Foreign exchange fluctuation loss	92.17	94.40
- Grants in Aid expenses	2.45	3.20
- Loss on sale/discard of assets	(0.01)	0.04
- Guest House Expenses (Net of Receipts)	45.74	40.34
- Hiring of staff	2,469.06	2,254.64



Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
- Horticulture Expenses	64.68	40.52
- Hospitality & Entertainment expenses	16.64	74.20
- Legal & Professional charges	737.04	636.31
- Meeting expenses	79.93	9.06
- Misc expenses	170.95	35.65
- Office expenses	199.56	213.27
- Postage & courier expenses	32.05	45.07
- Printing & Stationery expenses	99.28	71.94
- Research & Development expenses	83.82	137.65
- Repair & Maintenance- Building	598.76	1,415.96
- Repair & Maintenance- Computers & Networks	250.09	373.70
- Repair & Maintenance- Others	670.42	1,641.75
- Rent	823.07	688.28
- Insurance	600.07	484.13
- Rates & Taxes	4,802.04	127.35
- Security charges	15,699.86	14,647.30
- Seminar & Training expenses	91.46	70.24
- Service Tax/ Sales Tax paid	3,213.36	51.28
- Subscription, Newspaper, Books & Periodicals	15.58	12.57
- Sustainable Development	0.05	-
- Telephone & Internet charges	196.08	218.14
- Travelling & Conveyance expenses	704.92	568.06
- Travelling Expenses- Foreign	118.19	74.93
- Uniform & Liveries	14.19	23.14
- Corporate Social Responsibility Expenses (CSR)	389.91	466.38
- Vehicle Hiring/Maintenance charges	296.22	351.84
- Water & Electricity charges	465.01	395.54
- Consumption Spares	-	7.66
- Other Expenditure	888.24	732.43
- Interest and Penalty	9.51	1,972.70
- Prior Period Expenses	-	-
- Expense For Obsolete/ Non-Moving Inventory/ Shortage	894.85	51.10
Total (B)	37,229.18	30,352.18
(C) Provisions Created During the Year		
- Provision For Trade Receivables	575.38	6.54
- Provision For Obsolete/Non-Moving Inventory/Shortage	-	(86.81)
- Provision For Rate Differences of Bank Notes	-	100.54
- Provision For Pension Trust Liability	22,831.26	20,736.23
- Provision For disputed claims	7,707.12	-
Total (C)	31,113.76	20,756.50
Total Other Expenses (A+B+C)	89,913.96	71,496.33



(All amount in ₹ lakhs, unless otherwise stated)

Note 24(a)

Auditors' Remuneration

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
(A) Statutory Auditors		
(i) Statutory Audit Fee	3.50	3.50
(ii) Tax Audit Fee	2.63	2.63
Sub-Total (A)	6.13	6.13
(B) Branch Auditors		
(i) Statutory Audit Fee	20.25	20.25
(ii) Tax Audit Fee	24.35	16.55
Sub-Total (B)	44.60	36.80
Auditors' Remuneration (A+B)	50.73	42.93
Auditor's Out of Pocket Expenses	-	-
Total	50.73	42.93

Note 25

Provisions, Contingent Liabilities & Contingent Assets – Ind AS-37

Contingent Liabilities as per Ind AS-37 are as follows:

(All amount in ₹ lakhs, unless otherwise stated)

Contingent Liabilities and commitments (to the extent not provided for)	As at 31 st March 2019	As at 31 st March 2018
(I) Contingent Liabilities		
(i) Claims against the company not acknowledged as debt (excluding legal cases where amounts are unascertainable)	41,226.03	63,641.93
(iii) Bank Guarantees & Letters of Credit issued by Banks	2,925.54	1,910.57
Total (I)	44,151.57	65,552.50
(II) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	116.75	56.22
Total (II)	116.75	56.22
Grand Total (₹) (I+II)	44,268.32	65,608.72

(a) The Cases filed by employees/workers/suppliers are being contested and accordingly, no provision is considered necessary. The Cases regarding taxes are also being contested before various appellate forums and accordingly, no provision is considered necessary.

(b) The unit has filed a writ petition with Hon'ble High Court at Calcutta challenging the levy of entry tax as per West Bengal Entry Tax Act, 2012. The Hon'ble single bench adjourn the case sine die. On the same levy of entry tax in another case, the single bench of the Hon'ble High Court at Calcutta vide judgment and order dated June 24, 2013 has declared that the West Bengal Entry Tax Act, 2012 is ultra vires. The unit has sought a legal opinion and as per the opinion received by the unit dated May 17, 2013, May 30, 2017 and May 29, 2018, the Unit has not paid/provided for entry tax from June 01, 2013. The Unit has filed an application for tagging entry tax case with main writ petition which pending at "Divisional Bench".

Note 26

Reinstatement of Financial statement for the year 2017-18 in compliance to Ind AS 08 'Accounting Policies, Changes in Accounting Estimates and Errors'

The Balance Sheet and Statement of Profit and Loss, including the statement of Other Comprehensive Income for the year ended March 31, 2018 have been restated in accordance with the Ind AS 08-"Accounting Policies, Change in Accounting Estimates and Errors" for rectification of errors relating to the year 2017-18. The relevant disclosure are as follows:

a) Nature of prior period error related to the year 2017-18:

Sl. No.	Particulars	Amount in ₹ lakhs
1	Performance Related Pay not booked	500.00
2	Price difference not provided	4,485.00
3	Non-Reversal of Depreciation on Plant & Machinery	814.75
4	AMC of SAP and other exp. not booked	133.98

b) Impact of correction of above errors on the financial statements for the year 2017-18:

1. Performance Related Pay (PRP) of ₹500 lakh not booked:
 - i. Increase in Salary, Wages and Allowances under the head 'Employees Benefit expenses' in 'Profit & Loss Account'.
 - ii. Increase in PRP Payable under the head 'Current Provisions' in 'Balance Sheet'
2. Price Difference of ₹4,485 lakh not provided:
 - i. Decrease in operating revenue under the head 'Revenue' in 'Profit & Loss Account'.
 - ii. Decrease in Trade Receivable- current

under the head 'Trade Receivable' in 'Balance Sheet'

3. Non-Reversal of Depreciation on Plant & Machinery of ₹814.75 lakh:
 - i. Increase in Depreciation on Tangible Assets under the head 'Depreciation' in 'Profit & Loss Account'.
 - ii. Decrease in Written down value of Plant and Machinery under the head 'Property, Plant and Equipment' in 'Balance Sheet'.
4. AMC of SAP and other Expenses of ₹133.98 lakh not booked:
 - i. Increase in Repair & Maintenance- Computers & Networks Charges under the head 'Other Expenses' in 'Profit & Loss Account'.
 - ii. Increase in Trade payables- other than MSME under the head 'Trade payable- Current' in Balance sheet.
5. Impact of above errors on Provision for Tax, Deferred Tax Assets and Earnings & Diluted Earnings per share:
 - i. Increase in Deferred Tax Assets by ₹3,161.13 lakh,
 - ii. Decline in Provision for Tax by ₹1,598 lakh, and
 - iii. Decline in Earnings & Diluted Earnings per share by ₹0.10 per share.

Note 27

Disclosure pertaining to Micro, Small and Medium Enterprises

The Management identifies the enterprises which have provided goods and services to the company and which qualify under the definition of Micro, Small and Medium Enterprises (MSME) as defined under Micro, Small and Medium Enterprises development Act, 2006. Accordingly, the disclosure in respect of amount payable to such enterprises as at 31st March 2019 has been made in the financial statements (as disclosed in Note No. 13(ii) Trade

Payables) on the basis of information received and available with the company.

Amount in ₹ lakhs

S. No.	Particulars	As at 31 st March 2019	As at 31 st March 2018
1	The principal amount remaining unpaid to suppliers as at the end of the Year	5,298.18	2,691.89
2.	The amount of interest accrued during the year and remaining unpaid at the end of the Year	Nil	Nil
3.	The amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during the Year	Nil	Nil
4.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil

Note 28

Fixed Assets

- As per the decision of Government of India, all the Assets and Liabilities of nine units as on 10.02.2006 have been transferred to the Company at book value. Accordingly, all assets and liabilities prevailing as on 09.02.2006 were taken over on 10.2.2006 in the books of the Company on historic cost basis as per books of account of the Units of Government of India.

- Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule-II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation & Amortization. Accordingly, the unamortized carrying value is being depreciated / amortized over the remaining useful lives.
- Physical verification of Fixed Assets during the financial year 2018-19 has been carried out at all the units and Corporate Office.

Note 29

Precious Metals at Mints

Mints at Mumbai, Kolkata and Hyderabad have stocks of gold, silver and other precious metals which are more than 10 years old required for manufacturing of medals in very moderate quantity. There is a sound system of maintaining records and ensuring physical safety of the metals. Detailed break-up of each category of metal with fineness details are available in the units. Value of these metals has been taken as per book value which is lower than the net realizable value of the same. As there is a very moderate consumption of these materials in current production, company has initiated steps to dispose off these metals lying at units.

Note 30

Employee Benefits - Ind AS -19

Most of the Employees of the company were on deemed deputation from Government of India. On 15.09.2008, a tripartite agreement was signed between the Government of India, Company and the representatives of the various unions. Option was given to employees who were on deemed deputation to opt for the Company or Government of India as per Rule 37-A of Central Civil Services (Pension) Rules, 1972. Permanent absorption has been notified by Govt. vide order No. 10/1/2009-SPMC dated 29.05.2009 w.e.f. 01.11.2008. Option to join the Company was exercised by 14256 employees.

Defined Contribution Plans

- Employee Provident Fund (EPF):** For EPF, a trust has been established and exemption has been granted by Employees Provident

Fund Organization (EPFO) since December, 2009. The trust became operational w.e.f. April 2010 and all cases pertaining to employees provident fund matter are being looked after by Trust. The Company pays fixed contribution to provident fund at predetermined rates to the trust, which invests the funds in permitted securities as per investment pattern stipulated by Ministry of Labour. Contribution to family pension scheme is paid to the Employee Provident Fund Organization (EPFO). The contribution is recognized as expense and is charged to Profit and Loss account.

- b) **General Provident Fund (GPF):** For GPF, a trust has been established in the month of March 2011. From 1st April 2011 onwards, employee's contribution is being made to the Trust. There is only employee contribution in this fund and therefore, no amount is recognized as expenses in Profit and Loss account.

Defined Benefits Plans

- a) **Pension:** Pension will be paid to Combined Pension Optees from the Company Employees Pension Fund Trust constituted by Government of India. Provisions for pension contribution to the trust in respect of the Combined Optee have been made as per Central Civil Services (Pension) Rules, 1972.
- b) **Leave Travel Concession:** Leave Travel Concession (LTC) benefits have been dealt with as per norms of Government of India adopted by the company.
- c) **Gratuity:** The Company has a defined benefit gratuity plan in accordance with Payment of

Gratuity Act, 1972. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹20 Lakh on superannuation, resignation, termination, disablement or on death during the entire tenure of service. The Liability for the same is recognized on the basis of actuarial valuation.

- d) **Earned and Half Pay Leave:** The Company provides for earned leave benefit and half pay leave to the employees of the Company which accrues at 15 days and 10 days respectively at the end of half year. Earned leaves are encashable up to a maximum of 300 days on separation. Half pay leave is encashable only on separation but subject to maximum of 300 days for both earned leave and half pay leave. The Company has also permitted to en-cash earned leave to the extent of 50% of balance at credit once in a calendar year subject to the balance at credit should not be less than 30 days after encashment and subject to maximum accumulation of 300 days. The Liability for the same is recognized on the basis of actuarial valuation.

- e) **Post-Retirement Medical Benefits:** The Company has Post-Retirement Medical Scheme under which eligible ex-employees are provided medical facilities on the sole discretion of the employee upon payment of one time prescribed contribution. The liability for the same is recognized on the basis of actuarial valuation.

- f) **As per Ind AS 19 "Employee Benefits", the disclosure as defined is given below:**

(Amount in ₹ lakhs)

S. No.	Particulars	Gratuity		Leave		Post Retirement Medical Benefits	
		31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Defined Contribution Plans							
Defined Benefit Plans							
A	Reconciliation of Opening and Closing Balances of Defined Benefit Obligation						
	Defined Benefit Obligation at beginning of the year	16,656.49	14,208.97	27,347.18	29,248.61	6,120.52	4,510.50



S. No.	Particulars	Gratuity		Leave		Post Retirement Medical Benefits	
		31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
	Current Service Cost	1,874.20	1,906.47	1,387.48	1,300.37	1,351.15	1,409.69
	Interest Cost	1,232.58	1,045.78	2,023.69	2,152.70	452.92	331.97
	Actuarial (Gain)/Loss	(201.70)	98.76	3,350.70	2,709.40	1,191.45	315.33
	Benefits Paid	(1,428.03)	(603.49)	(4,700.55)	(8,063.90)	(635.02)	(446.98)
	Defined Benefit Obligation at the year end	18,133.54	16,656.49	29,408.50	27,347.18	8,481.02	6,120.52
B	Reconciliation of opening and closing balances of fair value of Plan Assets						
	Fair value of plan assets at the beginning of the period	-	-	-	-	-	-
	Actual return on plan assets	-	-	-	-	-	-
	Employer contribution	-	-	-	-	-	-
	Benefits paid	-	-	-	-	-	-
	Fair value of plan assets at the end of the period	-	-	-	-	-	-
C	Actuarial assumptions						
	Discount Rate (per annum)	7.34	7.40	7.34	7.40	7.34	7.40
	Expected rate of return on Plan Assets (per annum)	-	-	-	-	-	-
	Future Salary/cost Increase (per annum)	7.50	7.50	7.50	7.50	5.00	5.00
D	Sensitivity Analysis	31.03.2019		31.03.2019		31.03.2019	
(a) Impact of the change in discount rate							
	Present Value of Obligation at the end of the period	18,133.54		29,408.50		8,481.02	
	Impact due to increase of 0.50 %	(544.62)		(845.52)		(203.27)	
	Impact due to decrease of 0.50 %	584.44		901.42		205.11	
(b) Impact of the change in salary							
	Present Value of Obligation at the end of the period	18,133.54		29,408.50		-	
	Impact due to increase of 0.50 %	562.10		895.74		-	
	Impact due to decrease of 0.50 %	(537.69)		(848.13)		-	



In case of Bank Note Paper Mill India Pvt. Ltd. (Joint Venture):

Retirement and other Employee Benefits

In accordance with Ind AS 19 Company has obtained Actuarial Valuation in respect of defined Earned Leave and Gratuity based on the following assumptions:

(₹ in lakhs)

Particulars	2018-19	2017-18
Valuation basis	Projected Unit Credit (PUC)	
Discount Rate*	7.79%	7.73%
Annual Increase in Costs	7.00%	6.00%
Attrition Rate	3.00%	3.00%

*This is based on the market yields available on Government bonds at the balance sheet date.

(A) The gratuity and the leave salary plans are unfunded. Accordingly as per the provisions of Accounting standard the related unfunding risk has been factored in the valuation.

Amount recognised in the Financial Statements as on 31.03.2019

Particulars	2018-19		2017-18	
	Leave Salary	Gratuity	Leave Salary	Gratuity
a. Opening Value of Benefits	482.60	217.74	338.52	108.04
b. Current Service Cost	130.89	79.13	120.25	64.29
c. Interest Cost	35.61	16.16	25.38	8.28
d. Recognition of Losses - Other Long Term Benefits	-	-	-	-
e. Actuarial (Gains) / Loss	32.38	52.37	18.74	39.08
f. Benefits Pay-out	(50.93)	(20.53)	(20.29)	(1.95)
Present Value of the Benefits (a+b+c+d+e+f)	630.55	344.87	482.60	217.74
Provided as Current Liabilities	129.18	21.72	129.77	25.09
Provided as Non-Current Liabilities	501.37	323.15	352.83	192.65

Note:

- The company operates under cost plus basis and hence, the discount rate variation, mortality rate variations etc., are passed on in the selling price. Therefore, sensitivity analysis for these risks is not considered necessary.
- This includes liability for defined benefit cost in respect of Managing Director.
- Leave benefit includes the valuation for accumulated sick leave.

Note 31

Operating Segments – Ind AS -108

In the opinion of management, the company has no operating/reportable segment as envisaged in Ind AS-108 as the risks and returns associated with product categories are not different. About 90% of the sale of products during the year has been supplied to various Ministries of Government of India on cost plus reasonable return on capital employed basis. Further the Company is engaged in sovereign function of manufacturing of security products.

Note 32

Related Party Disclosures - Ind AS - 24

List and Transactions of related parties as per Ind AS - 24 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India;

Name of Party	Relationship
A. Bank Note Paper Mill India Private Ltd	Joint Venture (JV)
B. Post Retirement benefit trusts :	
i) SPMCIL EPF Trust	Retirement benefit trust
ii) SPMCIL Pension Trust	Retirement benefit trust
iii) SPMCIL PF Trust	Retirement benefit trust

(a) Transactions with JV:

The company has entered into a Joint Venture Agreement with Bhartiya Reserve Bank Note Mudran Private Limited (BRBNMPL), a wholly owned subsidiary of Reserve Bank of India to set up a security paper mill at Mysore with 50% participation in equity by each Joint Venture partners by forming a company under Indian Companies Act, 1956 on 13.10.2010. The company has contributed a sum of ₹40,000 Lakh towards 50% capital contribution. Company has been allotted 40,00,00,000 equity shares of ₹10 each aggregating to ₹40,000 lakh till 31.03.2019.

i. Proportion of ownership in Joint Venture as per audited accounts for the Financial Year 2018-19 is as under (50%).

(Amount in ₹ lakhs)

Particulars	As on 31.03.2019 (Audited)	As on 31.03.2018 (Audited)
a) Contribution towards Equity	40,000	40,000
b) Deputation of Employee Cost	-	-

Aggregate amount of Company's interest in Joint Venture (50%) as per audited Financials for the F.Y. 2018-19 is as under:

(Amount in ₹ lakhs)

Particulars	As on 31.03.2019 (Audited)	As on 31.03.2018 (Audited)
Equity Share Capital	40,000	40,000

Particulars	As on 31.03.2019 (Audited)	As on 31.03.2018 (Audited)
Reserve and Surplus	33,631	24,130
Non-Current Liabilities	15,904	18,407
Current Liabilities	5,920	7,280
Non-Current Assets	56,884	62,114
Current Assets	38,571	27,702
Revenue	59,213	47,535
Cost of Material Consumed	29,653	18,479
Depreciation of Plant and Machinery	5,627	5,544
Employee Benefit Expenses	2,442	2,143
Finance cost	1,428	2,399
Other Expenses	5,375	4,421
Profit Before Tax	14,687	14,550
Income Tax Expenses	5,159	2,709
Other Comprehensive Income (OCI)	(26)	(38)
Total Comprehensive Income	9,502	11,802

ii. Claims against the company not acknowledged as debt (50% Liability)

(Amount in ₹ lakhs)

Particulars	As on 31.03.2019	As on 31.03.2018
Pending outcome of appeal before ITAT & High Court tax demand is not recognized as liability.	-	761

iii. Unexpired commitments to the extent not provided (net of advances) (50% Liability)

(Amount in ₹ lakhs)

Particulars	As on 31.03.2019	As on 31.03.2018
Unexpired commitments to the extent not provided for on capital and revenue account.	1,051	2,746

iv. One of the contractors providing clearing and forwarding services had preferred an arbitration for a claim on the company for ₹42.57 Lakhs. The arbitral tribunal has awarded claim of ₹42.82 Lakhs together with Interest @ 18% P.A. and the cost of arbitration in favour of contractor by rejecting the company's counter claim of ₹44.19 Lakhs. The company has preferred an appeal U/s 34 of The Arbitration and Conciliation Act to set aside the arbitral award and to allow the company's counter claim with interest before the appropriate court after the balance sheet date but before the finalisation of accounts. The court has admitted our appeal and granted stay for execution of arbitral award. Pending this outcome, the company has not provided for liability, if any, against arbitral award (50% of the amount has been considered as company share in JV).

Contingent Liability in Joint Venture Company (50%): ₹1,777 Lakh (Previous Year ₹1,333 Lakh).

v. Transactions carried out with Bank Note Paper Mill India Private Ltd.

(Amount in ₹ lakhs)

Particulars	As on 31.03.2019	As on 31.03.2018
Purchase of CWBN Paper	12,367.33	27,720.72
Sale of Security Fiber	121.51	-
Trade payables	3,633.52	-

(b) Key Managerial Personnel:

- Ms. Tripti P. Ghosh, Chairman and Managing Director (CMD) (from 01.05.2018)
- Shri Ajai Kumar Srivastav, Director (Technical) (From 29.08.2016)
- Shri Sunil Kumar Sinha, Director (HR) (From 01.09.2016)
- Shri Ajay Agarwal, Director (Finance) & Chief Financial Officer (CFO) (from 23.11.2017)
- Shri Sachin Agarwal, Company Secretary (CS) (From 23.09.2009)

There are no transactions with Key Managerial Personnel during the year, except as given below.

The gross remuneration to Key Managerial Personnel who have been the full time-Directors of the Company is as under:

(Amount in ₹ lakhs)

Name	Designation	2018-19	2017-18
Ms. Tripti P. Ghosh	Chairman and Managing Director	41.02	-
Mr. Ajai Kumar Srivastav	Director (Technical)	63.64	43.42
Mr. S.K. Sinha	Director (HR)	61.88	44.69
Mr. Ajay Agarwal	Director (Finance) & CFO	40.84	28.00
Mr. Sachin Agarwal	Company Secretary	17.22	8.94
TOTAL		224.60	125.05

(c) Transactions with Retirement Benefit Trusts

(Amount in ₹ lakhs)

Particulars	2018-19	2017-18
Transactions with SPMCIL EPF trust		-
a. Monthly contribution for FY 18-19	241.48	177.02
b. Payment made to M/s Darashaw Investment Advisor	11.15	4.09
c. Audit Fee	0.24	0.27
d. Payment of AMC for EPF software	2.59	2.59
e. Misc. expenses	2.51	1.78
Total (a to e)	257.97	185.75



Particulars	2018-19	2017-18
Transactions with SPMCIL Pension trust		
f. Monthly contribution for FY 18-19	1.87	1.24
g. Provision of pension payment for FY 18-19	22,831.00	43,504.00
h. Amount paid during FY 18-19	10,066.00	-
i. Unsecured Interest free loan given	800.00	-
Total (f to i)	33,698.87	43,505.24
Transactions with SPMCIL PF Trust		
j. Monthly contribution for FY 18-19	1.96	1.02
Total (j)	1.96	1.02

There are no other transactions with related parties as defined in Ind AS-24.

B) Related party transactions in case of JV

In case of Bank Note Paper Mill India Pvt. Ltd. (Joint Venture) on the basis of financials as received from BNPMIPL

Related Party	Nature of Relationship
i. Security Printing & Minting Corporation of India Limited (SPMCIL).	Joint Venture Promoter with 50% equity shares & voting right in the company.
ii. Bhartiya Reserve Bank Note Mudran Private Limited (BRBNMPL).	Joint Venture Promoter with 50% equity shares & voting right in the company.

List of Directors & Key Managerial Personnel under Ind AS 24 "Related Party Disclosures"

Executive Director	Nominee
Shri G. Jaganmohan Rao (Managing Director) Key Managerial Personnel (Ceased w.e.f. 01.12.2018)	BRBNMPL
Shri K.G.Viswanathan (Managing Director) Key Managerial Personnel (Appointed w.e.f. 02.12.2018)	BRBNMPL
Non-executive Directors	Nominee
Ms. Tripti P. Ghosh, Chairman (w.e.f. 01.05.2018)	SPMCIL - Official Director
Shri Selvakumar, Chairman (Appointed w.e.f. 16.01.2018 & ceased w.e.f. 01.05.2018)	SPMCIL - Official Director
Shri Ajai Kumar Srivastav (Appointed w.e.f. 19.07.2016)	SPMCIL - Official Director
Shri A. G. Rao Kulkarni (Re-appointed w.e.f. 13.10.2018)	BRBNMPL - Independent Director
Shri Shankarasubramanian (Ceased w.e.f. 01.05.2018)	BRBNMPL - Official Director
Shri H.S. Thakur Desai (Appointed w.e.f. 28.05.2018)	BRBNMPL - Official Director
Shri S.K. Sinha (Appointed w.e.f. 01.09.2016)	SPMCIL - Official Director

Transaction carried out with related parties:

- i. The following transactions are carried out by the company with the related parties at arm's length in the ordinary course of business and on principal to principal basis.

(₹ in lakhs)

Particulars	BRBNMPL		SPMCIL	
	F.Y. 2018-19	F.Y. 2017-18	F.Y. 2018- 19	F.Y. 2017- 18
Revenue from Operation	1,03,512.16	67,541.17	11,199.76	24,496.24
Purchase of Goods & Services	56.46	43.09	121.51	-
Lease Rental Expense	1.00	1.00	-	-
Trade & Other Receivables	-	-	2,616.21	63.55
Advance against Sale of CWBN Paper	6,269.56	2,551.74	-	-

- ii. Salary, allowance & benefits paid to Shri G. Jaganmohan Rao, Managing Director - BRBNMPL Nominee. (Retired with effect from 01.12.2019)

Particulars	₹ in lakhs	
	2018-19	2017-18
Salary, allowances, perquisites and benefits.*	64.44	73.09

- iii. Salary, allowance & benefits paid to Shri K.G. Viswanathan, Managing Director - BRBNMPL Nominee. (Appointed with effect from 02.12.2019)

Particulars	₹ in lakhs	
	2018-19	2017-18
Salary, allowances, perquisites and benefits.*	31.34	-

* Does not include defined benefit costs (gratuity and leave salary). Actuarial valuation for defined benefit has been obtained for the pool of employees including the Managing Director and provided as defined benefits of employees in the books. Hence liability for defined benefit obligations for Managing director as an individual employee is not ascertainable.

- iv. Professional fees paid to Independent Director - Shri. A G Kulkarni

Particulars	₹ in lakhs	
	2018-19	2017-18
Professional fees for identifying the location for new plant in an independent professional capacity.	-	2.44
Total	-	2.44

Note 33

Earnings Per Share - Ind AS-33

Particulars	2018-19	2017-18
Profit After Tax (in ₹ lakhs)	62,048.06	76,790.30
Weighted average numbers of equity shares used as denominator	1,06,42,41,000	1,15,46,28,592
Basic / Diluted Earnings per share (in ₹)	5.83	6.65

Note 34

Income Tax - Ind AS - 12

The significant components and classification of deferred tax Assets and Liabilities on account of temporary difference during the financial year 2018-19 are:

Particulars	(Amount in ₹ lakhs)
Opening Balance of Deferred Tax Assets	87,313.57
Add: Deferred Tax Assets (Net) created during the year	7,122.09
Closing Balance of Deferred Tax Assets	94,435.66

Note 35

Balances of some of the Trade Receivables, Other

Assets, Trade and Other Payables are subject to confirmations/reconciliations and consequential adjustment, if any.

Reconciliations are carried out on on-going basis. Provisions, wherever considered necessary, have been made. However, Management does not expect to have any material financial impact of such pending confirmations/reconciliations.

Note 36

Security Deposit Paid

Security Deposits have been made with various Electricity Departments/Boards and companies by the units to get electricity connections and supply. Most of these deposits have been made prior to corporatisation.

Note 37

Discontinued operations at Saifabad unit (Discontinued IG Mint)

IGM, Hyderabad has discontinued minting operations of its Saifabad Unit, Hyderabad with effect from 01.11.2009. After review of the Fixed assets register (FAR) and physical verification of the assets, items which were fully depreciated and have no realizable value have been removed from FAR. Other items not further usable have been identified for disposal and disclosed as assets held for disposal under current assets. Remaining useful items have been transferred to Cherlapally location except land and building.

Note 38

Expenditure incurred towards Corporate Social Responsibility & Sustainable Development

CSR amount required to be spent as per section 135 of the Company's Act, 2013 read with Schedule VII, thereof, by the Company during the year is ₹1,066.06 lakh (Previous year ₹458.62 lakh).

During the year, the company has incurred an amount of ₹389.91 lakh (Previous Year ₹466.38 Lakh) on CSR. The details are as follows:

(Amount in ₹ lakhs)

Sl. No.	CSR Project	2018-19	2017-18
1	Construction of library / reading rooms	25.00	-

Sl. No.	CSR Project	2018-19	2017-18
2	Class rooms /toilets / computers	40.60	-
3	Skill development training program	86.92	5.07
4	Fixing paver block at school	8.11	-
5	Surgical equipment to hospital	28.57	-
6	Ambulance for the transportation of injured animals	-	16.29
7	Ambulance to District Hospital	-	3.54
8	Water purifier in school	-	75.25
9	Construction of bridge	14.47	-
10	Primary school building/ Library	-	126.34
11	Mobile clinic & dental chairs	37.95	-
12	Medical equipment in Barmani Distt.	45.28	-
13	Braille watches and sound system for blind school	-	1.28
14	Equipment, computers & furniture for school	97.34	-
15	Swatchh Bharat Abhiyan	-	150.00
16	Clean Ganga Mission	-	50.00
17	Toilet at school	-	30.88
18	Remuneration of CSR consultant and third party evaluation payment.	5.67	7.73
	Total	389.91	466.38

Note 39

Revenue from Operation as per Ind AS 115

The Ministry of Corporate Affairs (MCA) on 28th March 2018, notified Ind AS 115 'Revenue from Contracts with Customers' as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The standard is applicable to the Company from 1st April 2018.



Sale of major products has been recognized in the books of accounts in Financial Year 2018-19 as follows:

- i. The sale of Circulating Coins has been accounted for at CAC Rate (FY 2014-15) duly approved by Ministry of Finance.
- ii. The sale of Bank Notes has been accounted for at pre-determined rates decided by RBI.
- iii. The Sale of Postal Stationery has been accounted for at the rates recommended by the Chief Advisor Cost (CAC), Ministry of Finance, Government of India for the year 2014-15.

The difference, if any, between rates of Coins, Bank Notes & Postal Stationery accounted for as above, and rates to be finalized by CAC based on cost plus return on capital employed approach which is yet to be approved by Ministry of Finance/ RBI shall be accounted for in the year of approval.

Note 40

Note on Property, Plant and Equipment

Property, Plant and Equipment (PPE) represents capitalised cost net of interest income of ₹90.63 crore earned on deposits made out of equity fund pending utilisation during project construction period from the FY 2010-11 through 2015-16. The interest earned being inextricably linked with the project construction, the company had reduced interest income from pre-operative expenses and net pre-operative expenses was capitalised with PPE. The accounting treatment accorded by the company was upheld by the Income Tax Appellant Authority - CIT(Appeal) based on the facts and circumstances of the case by applying the Supreme Court Judgement in the case of CIT Vs Bokaro Steel Ltd. In order to confirm the treatment followed by the company in the books of account, C&AG had advised the management to obtain the opinion of EAC of ICAI on this issue and accordingly, the company referred the matter to EAC of ICAI for its expert opinion.

The EAC of ICAI in its opinion inter-alia stated that, as there is no specific Accounting Standard to deal with the treatment of interest income from fixed deposits made out of Equity Fund, the principles of capitalisation of expenditure as per the requirement of AS 10 can also be extended in respect of an item of

income arising during construction of Fixed Assets/ Projects. It was also mentioned that, only those item of income arising from the activities that are directly attributable to the acquisition/construction of a fixed asset/project for bringing it to its working condition for its intended use would go on to reduce the fixed asset/project cost. While holding the above view, the committee however, without giving the responsibility to the management to establish the inextricable link/ direct attributability concluded that, interest earned on fixed deposits made out of equity funds is an income arising out of the company's ancillary activities which are not directly attributable to the project/fixed assets and therefore, these cannot be adjusted against the pre-operative expenses.

The company thereafter made a review application for reconsideration of their opinion based on the facts and circumstances of the case. In the intervening period, the ITAT(Bangalore) on appeal by the Department of Revenue has reviewed and confirmed the order of the CIT (Appeal) and held that, the interest earned should only go to reduce the capital cost of the project as the interest is earned on capital account.

On a further appeal by the Department of Revenue to The High Court of Karnataka, the order of ITAT was confirmed. The High Court of Karnataka further concluded that, the issues are ex-facie covered by the decision of the jurisdictional High Courts or even the Hon'ble Supreme Court of India and hence, there is no question of law arise.

The C&AG has made a comment on the accounts for the FY 2017-18 i.e. the year after project capitalisation, qualifying that, the treatment accorded by the company on interest income earned during construction period out of equity fund is not in line with the EAC of ICAI opinion and accordingly it has resulted in understatement of PPE, Depreciation and Other Equity. The management considered the comment as difference of opinion on the same fact.

In view of conflicting opinion on the accounting treatment of interest earned out of equity fund during construction period, the company has obtained a legal opinion on the stand to be taken. As advised by the legal counsel, the company has resubmitted an application to EAC of ICAI to review & reconsider its

earlier opinion based on the comprehensive order of Karnataka High Court in the company's own case. In view of above, no adjustment is considered necessary in the carrying value of PPE, Depreciation and Other Equity for interest capitalised during pre-operative period.

Note 41

Pension Fund Trust Liability

The details of liability towards pension & death cum retirement gratuity for 2018-19 is given below:

As per the actuarial valuation, total amount of liability towards pension and death cum retirement gratuity as on 31.03.2019 is ₹1,43,763.62 lakh. Shortfall after considering the plan assets amounting to ₹36,295.66 lakh as on 31.03.2019 is ₹1,07,467.95 lakh. Total amount of liability provided for in books of accounts till 31.03.2018 was ₹84,636.69 lakh. Therefore, total amount of shortfall to be provided for in books of accounts as on 31.03.2019 was ₹22,831.26 lakh.

(Amount in ₹ lakhs)

S. No.	Particulars	As on 31.03.2019	As on 31.03.2018
1	Obligation of Pension and Death cum retirement Gratuity.	1,43,763.61	1,21,006.99
2	Less: Fair value of plan assets of Pension Fund	36,295.66	26,304.30
3	Shortfall [(1)- (2)]	1,07,467.95	94,702.69
4	Liability provided for in earlier years (Net of payment)	84,636.69	51,198.20
5	Shortfall as at the end of year	22,831.26	43,504.49
6	Amount charged to Reserve & Surplus (being pertaining to F.Y 2016-17)	-	22,768.26
7	Amount charged to Profit and Loss account during F.Y 2017-18 [(5)-(6)]	-	20,736.23

Amount of liability as on 31.10.2008 i.e. the date of

absorption of Govt. employees to SPMCIL was paid by Ministry of Finance as per the Rule 37-A of the CCS (Pension) Rules, 1972 and liability was not settled on the basis of actuarial valuation. Therefore, Amount of liability towards pension and death cum retirement gratuity was recalculated as on 31.10.2008 on the basis of actuarial valuation. Amount of liability as on 31.10.2008 came out to be ₹37,330.85 Lakh. As the Ministry of Finance had paid an amount of ₹18,174 Lakh against this liability, matter has been taken up with Ministry of Finance to receive the balance amount of ₹19,157 lakh (i.e. ₹37,330 lakh – ₹18,174 lakh). This amount has not been accounted for as receivable from Ministry of Finance during FY 2018-19. Amount shall be accounted for in the year of receipt from Ministry of Finance.

Note 42

Slow Moving/ Non-Moving Inventory

Company is holding stock of slow and non -moving items like stock of CN Coils, P N cathodes, stock of pure nickel etc. aggregating to ₹1,479.32 lakh (Previous Year ₹711.78 lakh). Provision of ₹1,460.03 lakh (Previous Year ₹597.56 lakh) has been created against those obsolete/non- moving items where market value is less than the book value.

Note 43

Buy Back of Shares

In accordance with the Guidelines on Capital Restructuring of CPSEs issued by Department of Investment & Public Asset Management (DIPAM), the Company has bought back 1,182.49 Lakh Equity Shares of ₹10/- each (fully paid) being 10% of aggregate of paid-up equity and free reserves as on 31.3.2017 from Government of India in the year 2017-18. The book value per share was arrived at ₹38.50 per share as per the certificate received from erstwhile Statutory Auditors of the Company. The free reserves of the Company were utilized for the purpose of aforesaid buyback of shares. The aforesaid buyback of shares was done in compliance of the provisions of Companies Act, 2013 and rules framed thereunder.

Note 44

Details of Long Term Borrowings, terms of repayment & rate of interest - In case of Bank Note Paper Mill India Pvt. Ltd. (Joint Venture) (as per financials as received from BNPMIPL)

(Amount in ₹ lakhs)

Outstanding Balances					
Bank Names	As at March 31,2018	Drawl/ Repayment during the F.Y.	Non -Current as at March 31, 2019*	Current as at March 31,2018	Total out-standing as on 31.03.2018
State Bank of India	27,000.00	(15,000.00)	12,000.00	-	12,000.00
HDFC Bank Limited	13,000.00	(13,000.00)	-	-	-
State Bank of India	-	13,000.00	13,000.00	-	13,000.00
Total	40,000.00	(15,000.00)	25,000.00	-	25,000.00

*Since the company has prepaid term loan which are due up to 2020, no current liabilities reported during the FY 2018-19.

Loan tenure is 11.25 years with 3.25 years moratorium on repayment of principal which is repayable in 16 half yearly installments commencing from September 2017. The applicable interest rate is one year MCLR of the respective banks.

Details of Security provided for bank loan:

Particulars of security provided for term loan:	In favour of State Bank of India to the extent of ₹ in Lakhs.	In favour of HDFC Bank Ltd. to the extent of ₹ in Lakhs.
<p>a) Secured by specific pari-passu first charge on plant and machinery for manufacturing of bank note paper of capacity 12000 TPA excluding 34.462 acres of land taken on lease from Bharatiya Reserve Bank Note Mudran Private Limited and building thereon.</p> <p>b) Specific second pari-passu charge on all stock in trade present and future, all book debts, outstanding money receivable, claims and bills which are now due and owing or which at any time hereafter during the continuance of this security become due and owing to the company in the course of its business.</p> <p>Note: Charge is created in favour of the lenders to the extent of the amount mentioned in the respective column plus interest, cost & charges, if any.</p>	40,000.00	-
Particulars of security provided for working capital loan:		
Secured by specific pari-passu first charge on all the stock in trade both present and future consisting of raw materials, finished goods, goods in process of manufacturing and other merchandise with all the book debts, outstanding monies receivable, claims and bills which are now due and owing or which may at any time hereafter during the continuance of this security become due and owing to us in course of its business.	NIL	₹12,500.00 of which ₹7,000.00 is fund based and ₹5,500.00 is Non fund based
Specific second pari-passu charges on plant and machinery for manufacturing of bank note paper of capacity 12000TPA excluding 34.462 acres of land taken on lease from Bharatiya Reserve Bank Note Mudran Private Limited and building thereon		



The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions.

Note 45

Funds from Government of India (Adjustable)

Balance in "Funds from Government of India (Adjustable)" Account as on 31.03.2014 was ₹2,878.64 crores. As per the letter No. 3/2/2008-Cy. III/SPMC dated 09.02.2015 the capital structure of the SPMCIL was finalized w.e.f. 01.04.2015 (Letter No. 3/2/2008-Cy.III/SPMC dated 24.07.2015). As per the finalised Capital Structure ₹1,182.44 was transferred to Equity, ₹1,182.44 crores were transferred to Repayable Loan and ₹334.00 crores were transferred to Capital Reserve. The balance amount of ₹179.76 crores is still lying in the "Funds from Government of India (Adjustable)" Account which is yet to be settled with Ministry of Finance.

Note 46

Investment in Joint Venture

- (a) A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.
- (b) The Group's investments in its joint venture

are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

- (c) The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.
- (d) Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.
- (e) The Group's share of profit or loss of a joint venture is shown on the face of the statement of profit and loss. The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Note 47

In order to have better presentation the previous year's figures have been recasted/restated/reclassified, wherever necessary, to conform to current year's classification.

For Ashwani & Associates

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

Membership Number: 084205

Date: 19.06.2019

Place: New Delhi

On behalf of Security Printing and Minting Corporation of India Limited

Sd/-

(Sachin Agarwal)

Company Secretary
(PAN: ADRPA9630Q)

Sd/-

(Ajay Agarwal)

Director (Finance) & CFO
(DIN : 06778079)

Sd/-

(Tripti P. Ghosh)

Chairman and Managing Director
(DIN : 08123112)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF JOINT VENTURE FOR THE YEAR ENDED 31.03.2019

AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read rule 5 of the Companies (Accounts) Rules, 2014)

Part "A"

Subsidiaries	Not Applicable
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Part "B"

Associates and Joint Ventures	
Name of Associate/Joint Venture	Bank Note Paper Mill India Pvt. Ltd.
Latest Audited Balance Sheet Date	31.03.2019
Number of Shares of Joint Venture held by the Company at the year end	40,00,00,000
Amount of Investment in Associate/ Joint Venture	₹ 4,00,00,00,000
Extent of Holding %	50%
Description of how there is significance influence	Pursuant to Section 2(6) of the Companies Act, 2013
Reason why the Joint Venture is not consolidated	N.A.
Net Worth attributable to shareholding as per latest Audited Balance Sheet	₹ 7,36,31,04,000
Profit /(Loss) for the year	₹ 88,86,70,000
(i) Considered in Consolidation	Yes
(ii) Not considered in Consolidation	N.A.

- a) Names of Association or Joint Ventures which are yet to commence operation – N.A.
- b) Names of Associates or Joint Ventures which have been liquidated or sold during the year - N.A.

For Ashwani & Associates

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

Membership Number: 084205

Date: 19.06.2019

Place: New Delhi

On behalf of Security Printing and Minting Corporation of India Limited

Sd/-

(Sachin Agarwal)

Company Secretary
(PAN: ADRPA9630Q)

Sd/-

(Ajay Agarwal)

Director (Finance) & CFO
(DIN : 06778079)

Sd/-

(Tripti P. Ghosh)

Chairman and Managing Director
(DIN : 08123112)

GLOSSARY

AMS	Attendance Management System
APR	Annual Property Return
APV	Annual Physical Verification
BNP	Bank Note Press
BNPMIPL	Bank Note Paper Mill India Private Limited
BPS	Banknote Processing System
CAG	Comptroller & Auditor General of India
CAC	Chief Advisor Cost
CDA	Central Dearness Allowances
CECRI	Central Electro Chemical Research Institute
CESTP	Combined Effluent and Sewage Treatment Plant
CIF	Cost, Insurance and Freight
CIPET	Central Institute of Plastics Engineering and Technology
CISF	Central Industrial Security Force
CMD	Chairman and Managing Director
CNP	Currency Note Press
7 th CPC	7 th Central Pay Commission
CPSE	Central Public Sector Enterprises
CRN	Computerised Random Numbering
CSIR	Council of Scientific and Industrial Research
CSR	Corporate Social Responsibility
CTE	Chief Technical Examiner
CTP	Computer to Offset Plate Making System
CVC	Central Vigilance Commission
CVO	Chief Vigilance Officer
CWBN	Cylinder Watermarked Bank Note
DDG	Deputy Director General
DEA	Department of Economic Affairs
DIN	Director Identification Number
DIPAM	Department of Investment & Public Asset Management
DOP	Department of Posts
DPE	Department of Public Enterprises
DPR	Detailed Project Report

EMS	Environmental Management System
EP	Enterprise Portal
ERP	Enterprise Resource Planning
ETP	Effluent Treatment Plant
HH	Hearing Handicapped
HRD	Human Resource Development
IB	Intelligence Bureau
ICAI	Institute of Chartered Accountants of India
ICAI	Institute of Cost Accountants of India
ICC	Indian Chamber of Commerce
ICSI	Institute of Company Secretaries of India
IDA	Industrial Dearness Allowance
IEM	Independent External Monitor
IGM	India Government Mint
IIIT	Indraprastha Institute of Information Technology
IMC	Inter-Ministerial Committee
IND AS	Indian Accounting Standard
IP	Integrity Pact
ISP	India Security Press
JV	Joint Venture
KPMG	KPMG India Limited
KW	Kilowatt
LDPE	Low-density polyethylene
MEA	Ministry of External Affairs
MHA	Ministry of Home Affairs
MOF	Ministry of Finance
MoU	Memorandum of Understanding
MPCS	Million Pieces
MSEs	Micro and Small Enterprises
MSMEs	Micro, Small & Medium Enterprises
MT	Metric Ton
NABL	National Accreditation Board for Testing and Calibration Laboratories
NCL	National Chemical Laboratory
NJSP	Non-Judicial Stamp Paper
OEM	Original Equipment Manufacturer
OH	Orthopaedically Handicapped
OLIC	Official Language Implementation Committee

OVI	Optically Variable Ink
PSEs	Public Sector Enterprises
PSP	Passport Seva Project
PWD	Persons With Disabilities
R&D	Research and Development
RAFA	Research Alliance Framework Agreement
RBI	Reserve Bank of India
RMP	Risk Management Policy
SAP	Systems, Applications, Products in data processing
SC/ST/OBC	Scheduled Castes/Scheduled Tribes/Other Backward Class
SD	Sustainable Development
SOI	Super Orlof Intaglio
SPM	Security Paper Mill
SPMCIL	Security Printing and Minting Corporation of India Limited
SPP	Security Printing Press
TOLIC	Town Official Language Implementation Committee
UAT's	User Acceptance Testing
VH	Visually Handicapped

FINANCIAL TERMS

CAPEX	Capital Expenditure
CD	Customs Duty
EBIDTA	Earnings Before Interest Depreciation Tax and Amortisation
ED	Excise Duty
EPS	Earnings Per Share
GDP	Gross Domestic Product
PAT	Profit after Tax
PBIDTA	Profit before Interest Depreciation Tax and Amortization
PBIT	Profit before Interest and Tax
PBT	Profit before Tax
TCI	Total Comprehensive Income
WIP	Work-in-Progress



SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED
Regd. Office: 16th Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi-110 001
Phone: 011-23701225-26, Fax: 011 – 23701223
(CIN: U22213DL2006GOI144763)

NOTICE

Notice is hereby given that the 14th (Fourteenth) ANNUAL GENERAL MEETING of the members of Security Printing and Minting Corporation of India Limited (SPMCIL) will be held on Friday, the 06th day of September 2019 at 1:30 p.m. at the Registered Office of the Company at 16th Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi-110001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Standalone as well as Consolidated Financial Statements for the financial year ended 31st March 2019 together with the Reports of the Directors' and the Auditors' thereon.
2. To declare the Final Dividend @ 5% of Net worth of the Company for the financial year 2018-19.
3. To fix the remuneration of the Auditors of the Company appointed by the Comptroller and Auditor General of India for the year 2019-20.

SPECIAL BUSINESS

4. **To ratify the remuneration of the Cost Auditors and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force, the aggregate remuneration of ₹40,000/- plus GST to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the unit(s) of the Company falling under purview of Cost Audit for the financial year ending 31st March 2019 be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Sd/-

(Sachin Agarwal)

Company Secretary
(PAN: ADRPA9630Q)

Place: New Delhi

Date: 06th September 2019



STATEMENT SETTING OUT THE MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS IN PURSUANCE OF SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. R.M. Bansal & Co., Cost Accountant as the Cost Auditors at an aggregate remuneration of ₹40,000/- plus GST to conduct the audit of the cost accounting records of the various unit(s) of the Company under the purview of Cost Audit for the financial year ending 31st March 2019.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought by passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2019. None of the Directors / Key Managerial Personnel of the Company is interested or concerned in the resolution.

By Order of the Board of Directors

Sd/-

(Sachin Agarwal)

Company Secretary

(PAN: ADRPA9630Q)

Place: New Delhi

Date: 06th September 2019

NOTES:

1. A Member entitled to attend and Vote is entitled to appoint a Proxy to attend and Vote instead of himself. Such Proxy need not be a member of the Company. The Proxy form is enclosed.
2. Member/Proxy holder must bring the attendance slip to the meeting and hand it over, at the entrance of Meeting Hall, duly signed.
3. Route Map for venue of Annual General Meeting is also annexed.



SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

Regd. Office: 16th Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi – 110 001

Phone: 011-23701225-26, Fax: 011 – 23701223

(CIN : U22213DL2006GOI144763)

ATTENDANCE SLIP

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE
OF THE MEETING HALL**

Name of Shareholder/Proxy: _____

Registered Folio No: _____

I hereby record my presence at the 14th ANNUAL GENERAL MEETING of Security Printing and Minting Corporation of India Limited (SPMCIL) at 1.30 p.m. on Friday, the 06th day of September 2019 at the Registered Office of the Company situated at 16th Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi–110 001.

Signature

Place: New Delhi

Date: 06th September 2019

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : **U22213DL2006GOI144763**
 Name of the company : **Security Printing and Minting Corporation of India Limited (SPMCIL)**
 Registered office : **16th Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi-110001**

Name of the member(s)	:
Registered address	:
E-mail Id	:
Folio No.	:

I/We, being the member (s) of shares of the above named company, hereby appoint:

- Name :

Address :

E-mail Id :

Signature :, or failing him
- Name :

Address :

E-mail Id :

Signature :, or failing him
- Name :

Address :

E-mail Id :

Signature :, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14th Annual General Meeting of the Company, to be held on Friday, the 06th day of September 2019 at 1.30 p.m. at the Registered Office of the Company situated at 16th Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi-110 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1.
2.
3.
4.

Affix
Revenue
Stamp

Signed this 06th day of September 2019

Signature of Shareholder :

Signature of Proxy Holder(s) :

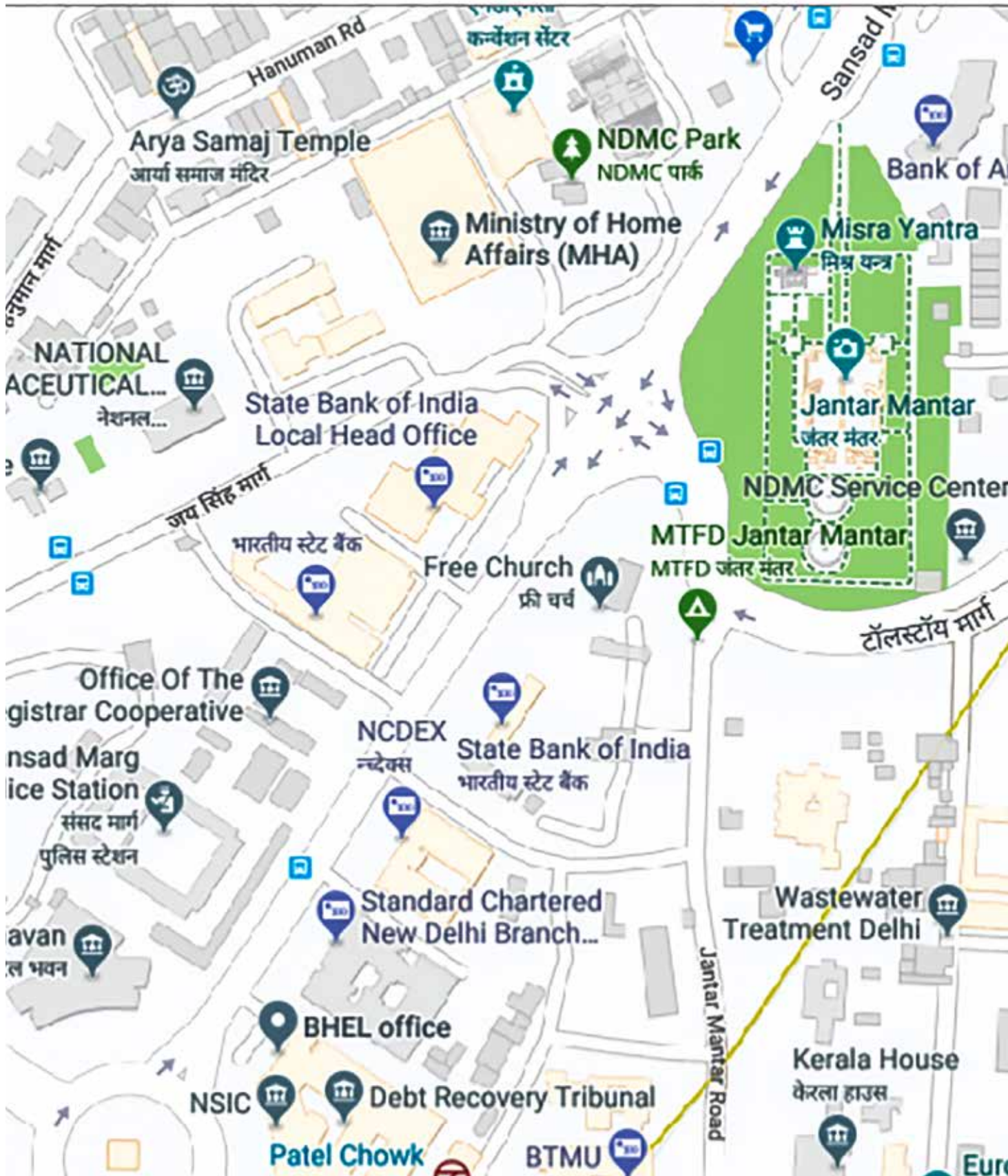
Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting



NOTES

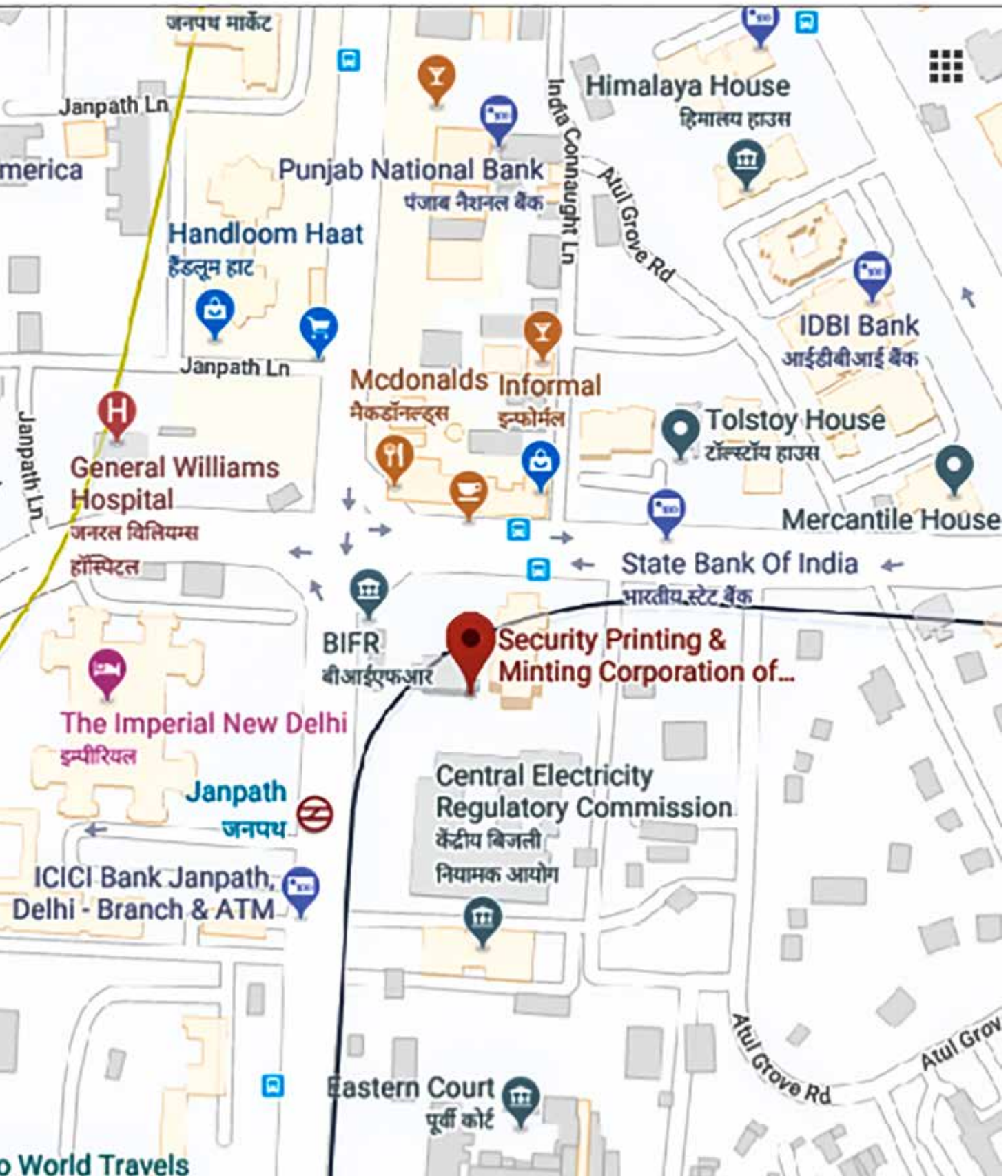
A series of horizontal dotted lines for taking notes.

ROUTE MAP OF THE VENUE





OF ANNUAL GENERAL MEETING



\$PM

Cit

एसपीएमसीआईएल नेटवर्क/ SPMCIL NETWORK

नई दिल्ली/NEW DELHI

एसपीएमसीआईएल पंजीकृत कार्यालय
SPMCIL Registered Office
16वां तल, जवाहर व्यापार भवन,
16th Floor, Jawahar Vyapar Bhawan,
जनपथ, नई दिल्ली-110001, भारत
Janpath, New Delhi - 110 001, INDIA
दूरभाष/Ph.: 91-11-23701225-26
फैक्स/Fax: 91-11-23701223
ई-मेल/Email: info@spmcil.com
वेब/Web: www.spmcil.com

देवास/DEWAS

बैंक नोट मुद्रणालय/Bank Note Press
देवास-455 001/Dewas-455 001
मध्य प्रदेश, भारत/Madhya Pradesh, INDIA
दूरभाष/Ph.: 91-7272-255222
फैक्स/Fax: 91-7272-255111
ई-मेल/Email: bnpdewas@spmcil.com
वेब/Web: http://bnpdewas.spmcil.com

मुम्बई/MUMBAI

भारत सरकार टकसाल
India Government Mint
शहीद भगत सिंह मार्ग, फोर्ट
Shahid Bhagat Singh Marg, Fort,
मुम्बई-400 001, महाराष्ट्र, भारत
Mumbai-400 001, Maharashtra, INDIA
दूरभाष/Ph.: 91-22-22662555, 22661735
फैक्स/Fax: 91-22-22661450
ई-मेल/Email: igm.mumbai@spmcil.com
वेब/Web: http://igmmumbai.spmcil.com

नासिक/NASHIK

चलार्थ पत्र मुद्रणालय/Currency Note Press
जेल रोड, नासिक रोड-422 101
Jail Road, Nashik Road-422 101
महाराष्ट्र, भारत/Maharashtra, INDIA
दूरभाष/Ph.: 91-253-2463730-39
फैक्स/Fax: 91-253-2464100
ई-मेल/Email: gmcnp@spmcil.com
वेब/Web: http://cnpnashik.spmcil.com

भारत प्रतिभूति मुद्रणालय

India Security Press
नासिक रोड-422 101/Nashik Road-422 101
महाराष्ट्र, भारत/Maharashtra, INDIA
दूरभाष/Ph.: 91-253-2402200
फैक्स/Fax: 91-253-2462718, 2466389
ई-मेल/Email: isp@spmcil.com
वेब/Web: http://ispnashik.spmcil.com

नोएडा/NOIDA

भारत सरकार टकसाल
India Government Mint
डी-2, सेक्टर-1 पोस्ट बॉक्स सं. 78
D-2, Sector-1, Post Box No. 78
नोएडा-201 301, उत्तर प्रदेश, भारत
Noida-201 301, Uttar Pradesh, INDIA
दूरभाष/Ph.: 91-120-4783100
फैक्स/Fax: 91-120-2537609
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