

10 वार्षिक रिपोर्ट ANNUAL REPORT 2014-15



SPMCIL

भारत प्रतिभूति मुद्रण तथा मुद्रा निर्माण निगम लिमिटेड
Security Printing and Minting Corporation of India Ltd.

Our Network

NEW DELHI

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New Delhi – 110 001, INDIA
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NOIDA

India Government Mint

D-2, Sector-1, Post Box No. 78
Noida-201 301
Uttar Pradesh, INDIA
Ph. : 91-120-25202563
Fax : 91-120-2537609
Email: igm.noida@spmcil.com
Web : <http://igmnoida.spmcil.com>

MUMBAI

India Government Mint

Shahid Bhagat Singh Road,
Fort, Mumbai-400 023, Maharashtra, INDIA
Ph. : 91-22-22662555, 22661735
Fax : 91-22-22661450
Email : igm.mumbai@spmcil.com
Web : <http://igmmumbai.spmcil.com>

DEWAS

Bank Note Press

Dewas-455 001
Madhya Pradesh, INDIA
Ph. : 91-7272-255222
Fax : 91-7272-255111
Email: bnpdewas@spmcil.com
Web : <http://bnpdewas.spmcil.com>

NASHIK

India Security Press

Nashik Road-422 101
Maharashtra, INDIA
Ph. : 91-253-2402200
Fax : 91-253-2462718, 2466389
Email : isp@spmcil.com
Web : <http://ispnashik.spmcil.com>

HOSHANGABAD

Security Paper Mill

Hoshangabad-461 005
Madhya Pradesh, INDIA
Ph. : 91-7574-255259
Fax : 91-7574-255170
Email : gm.spm@spmcil.com
Web : <http://spmhoshangabad.spmcil.com>

Currency Note Press

Jail Road, Nashik Road-422 101
Maharashtra, INDIA
Ph. : 91-253-2461471, 2463730-39
Fax : 91-253-2464100
Email : gmcnp@spmcil.com
Web : <http://cnpnashik.spmcil.com>

HYDERABAD

Security Printing Press

Mint Compound, Saifabad,
Hyderabad-500 063, Telangana, INDIA
Ph. : 91-40-23253614, 23455532
Fax : 91-40-23456687
Email : spp.hyd@spmcil.com
Web : <http://spphyderabad.spmcil.com>

KOLKATA

India Government Mint

Alipore, Kolkata – 700 053
West Bengal, INDIA
Ph. : 91-33-24014132-35
Fax : 91-33-24010553
Email: calmint@spmcil.com
Web : <http://igmkolkata.spmcil.com>

India Government Mint

IDA, Phase-II, Cherlapally, P.B. No. 10, H.C.L. (PO)
R.R. District, Hyderabad-500 051
Telangana, INDIA
Ph. : 91-40-27261731
Fax : 91-40-27262951
Email : igm.hyderabad@spmcil.com
Web : <http://igmhyderabad.spmcil.com>



Vision

To be 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 indiginization and the triple bottom line of people, planet and profit; and*
- Ensuring employees, customers and stakeholders delights.*



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BOARD OF DIRECTORS

(As on 8th December, 2015)

Shri M.S. Rana	Chairman and Managing Director
Dr. Manoranjan Dash	Director (HR)
Shri P.N. Radkar	Director (Technical)
Shri H. Pradeep Rao	Additional Secretary and Financial Advisor, Ministry of Finance
Dr. Saurabh Garg	Joint Secretary (I&C), Department of Economic Affairs, Ministry of Finance
Shri M.A. Ganapathy	Joint Secretary (IS-I), Ministry of Home Affairs
Shri Muktesh K. Pardeshi	Joint Secretary (PSP) & Chief Passport Officer, Ministry of External Affairs
Smt. Uma Shankar	Principal Chief General Manager, Department of Currency Management, Reserve Bank of India
Smt. Anula Kumar	Deputy Director General (Philately), Department of Posts



SENIOR MANAGEMENT

(As on 8th December, 2015)

Shri S.K. Jha	Chief Vigilance Officer
Shri Sudhir Sahu	General Manager, Security Paper Mill, Hoshangabad (M.P.)
Shri Ajai Kumar Srivastava	General Manager, India Government Mint, Mumbai (Maharashtra)
Shri M.C. Bylappa	General Manager, Bank Note Press, Dewas (M.P.)
Shri S.P. Verma	General Manager, Indian Government Mint, Hyderabad (Telangana)
Shri T.R. Gowda	General Manager, India Security Press, Nashik Road (Maharashtra)
Shri Sanjeeva Ranjan	General Manager, India Government Mint, Kolkata (W.B.)
Shri Sandeep Jain	General Manager, Currency Note Press, Nashik Road (Maharashtra)
Shri R. Haripanth	General Manager, Security Printing Press, Hyderabad (Telangana)
Shri G.P. Agrawal	General Manager, India Government Mint, Noida (U.P.)
Shri Ramakant Dixit	General Manager (Information Technology)

STATUTORY AUDITORS

M/s. Batra Sapra & Co.
Chartered Accountants New Delhi

SECRETARIAL AUDITORS

M/s. J.K. Gupta & Associates,
Company Secretaries, New Delhi

DEPUTY COMPANY SECRETARY

Shri Sachin Agarwal (FCS)



STATEMENT TO SHAREHOLDERS BY SHRI M.S. RANA, CHAIRMAN AND MANAGING DIRECTOR DURING 10th AGM HELD ON 8th DECEMBER, 2015



Shri M.S. Rana, Chairman & Managing Director

Ladies and Gentlemen,

On behalf of the Board of Directors and on my behalf, I would like to extend a very warm welcome to all of you to the 10th Annual General Meeting of the Security Printing and Minting Corporation of India Limited (SPMCIL). The notice of AGM, Directors Report and Audited Accounts for the year ended 31st March, 2015 are already with you and with your permission, I take them as read.

OPERATIONAL PERFORMANCE

Your Company has achieved all the targets in the production of Bank Notes, Coins, Security Products and production of the Raw Materials during the year 2014-15 and has also increased productivity per employee considerably.

Your Company has produced 8358 million pieces of the Bank Notes which is 4.24% higher than last year production of 8018 million pieces. Productivity per employee has increased to 2.12 million pieces as against 2.01 million pieces achieved during last year. In case of Circulating Coins your Company has produced 7929 million pieces of the circulating Coins which is 3.65% higher than last year production of 7650 million pieces. Productivity per employee has increased to 2.47 million pieces as against 2.26 million pieces achieved during last year.

The Security Paper Mill, Hoshangabad has produced 3266 MT of Security Paper as against 3240 MT produced during previous year. This is the fifth year in succession that the Paper Mill has met the target despite the paper machinery being more than 45 years old.

FINANCIAL PERFORMANCE

The Sales turnover of your Company has increased to ₹4408.38 crores in 2014-15 from ₹3797.61 crores in 2013-14 registering a growth of 16.08% over the previous year. The Sales per employee during 2014-15 has increased by 20.74% to ₹37.41 lacs from ₹30.98 lacs during the year 2013-14 primarily due to increase in the production during 2014-15. Despite increase in physical sale and total revenue the Company has registered a Net Loss of ₹352.07 crores during the year as against Net Profit of ₹214.63 crore in the previous year due to price adjustments for Coins from the year 2008-09 to 2012-13 and for Postal items from the year 2006-07 to 2013-14 with net impact of ₹709.63 crore. The reason for price adjustment is due to change in pricing of Coins for 2008-09 to 2010-11 from cost plus 10% mark up to cost plus reasonable return on capital employed after the Annual Reports of these years have been prepared and laid on the table of the Parliament and also due to the inadequate return on the capital employed from 2008-09 to 2011-12. The details have been mentioned in the Directors Report.



MoU PERFORMANCE

Your Company has been granted 'Excellent' rating by the Department of Public Enterprises (DPE) for its MoU evaluation for 2013-14. This is the fifth year in succession your Company has been adjudged Excellent in its MoU evaluation. For the year 2014-15, the self-evaluation report of MoU duly approved by Board and the administrative Ministry has been sent to DPE and is under consideration of Task Force.

MODERNISATION / INDIGENISATION

Keeping in view the thrust of the Government of India on Indigenisation of the critical inputs for manufacture of the Currency, your company has commissioned New Paper Line at Hoshangabad with capacity of 6000 MT per year. This was inaugurated by the Hon'ble Finance Minister in the august presence of Hon'ble Chief Minister of Madhya Pradesh on 30.05.2015. Continuing this momentum, two Bank Note Paper Lines of the Joint Venture Company, Bank Note Paper Mill India Private Limited (BNPMIPL) are scheduled to be commissioned and start commercial production in the near future. With these two projects majority of the Bank Note paper will be produced in India in the coming years as against majority being imported at present. SPMCIL has taken up modernisation of Ink Factory at Dewas where it has been producing indigenously developed Intaglio Ink, Offset Numbering Inks at very economical price. With the introduction of three shift working in the Ink Factory, Dewas the production has increased and is likely to touch 800 MT by March, 2016.

To meet the enhanced indents of the Bank Notes two Bank Note Printing Lines have been sanctioned by the Board on replacement account and the procurement process is on. For two more Bank Note Paper Lines the proposal is under consideration of the SPMCIL Board. In order to meet the enhanced demand of the Coins projected by RBI, the modernisation of the Mints with 32 Coining Presses and Finishing Lines for six billion Coins has been approved by the Board and the procurement process is on. For enhancing the capacity from 13 billion pieces to 16 billion pieces another proposal is being put up to the Board.

In addition to the above, two Electronic Numbering Control (ENC) Systems and Spectro Densitometer for quality improvement in the Bank Notes have been installed at Currency Note Press, Nashik. India Government Mint, Noida has commissioned the PVD coating technology of the Dies for circulating coins for increasing the lives of the Dies. India Government Mint, Noida has also successfully introduced TC Collars which has improved the serrations of the minted coins and the life of the Collars has nearly doubled. The Polishing Lines have been installed and commissioned at India Government Mint, Hyderabad and India Government Mint, Kolkata, which are capable to pickle and polish with the single chemical as compared to three chemicals in existing machines.

During the year, your Company was asked to organise a conference on 'Make in India – Indigenisation of Currency' by the administrative Ministry. This was done successfully at Vigyan Bhawan under the guidance of the administrative Ministry and in association with Reserve Bank of India, BRBNMPL & BNPMIPL.

During the year ₹1/- note was designed, developed and was issued to the RBI as per the approval from the Ministry of Finance after a gap of about 19 years. India Government Mint, Mumbai has developed India Gold Coin for M/s MMTC Ltd., which has been released by Hon'ble Prime Minister in November, 2015. The design of the Coin done by India Government Mint, Mumbai was appreciated by the Hon'ble Prime Minister. The India Government Mint, Mumbai and Kolkata have been granted



BIS certification for production of the Gold Coin. Your company is geared to meet the demand of the Gold Coin based on the demand from M/s MMTC Ltd.

RESEARCH & DEVELOPMENT (R&D)

Keeping in view the thrust in indigenisation by the Government of India, your Company has signed Memorandum of Understanding (MoU) with the Central Pulp & Paper Research Institute (CPPRI), Saharanpur for undertaking Research and Development activities in the areas of Pulp and Currency paper. Similarly, SPMCIL has signed MoU with Foundation for Innovation and Technology Transfer (FITT), a Registered Society of Indian Institute of Technology, Delhi to foster collaboration on research, training and professional development and exchange of technical expertise in the areas of material science and testing capabilities. SPMCIL has also entered into MoU with Indraprastha Institute of Information Technology, Delhi (IIIT-D) to facilitate collaboration of research and exchange of technical expertise in the field of information technology, computing and advance analytics. SPMCIL has signed MoU with CSIR-National Chemical Laboratory (CSIR-NCL), Pune to foster collaboration on research and exchange of technical expertise, in the areas of material science and testing capabilities for bank notes, security documents and coins. Your Company has also signed an MoU with Defence Materials & Stores Research and Development Establishment (DMSRDE), DRDO, Lucknow for R&D in security features. R&D projects in the area of paper, ink, security features and counterfeit currency have been/are being taken up.

HUMAN RESOURCE

The overall industrial relations scenario during the year was cordial and peaceful. Training and retraining of Employees to upgrade the functional scales and expertise was a thrust area. During the year, 55 nos. of Executives, 61 nos. of Supervisors and 158 nos. of Workmen have been recruited for the New Paper Line at Hoshangabad. Employees strength as on 31.03.2015 has come down to 11784 as compared to the previous year strength of 12257 due to natural attrition. During the year, two Executive Development Program (EDP) have been conducted at NIFM, Faridabad and about 222 nos. of Executives, 219 nos. of Supervisors and 895 nos. of Workmen have been trained. For introduction of the third shift in the Units the necessary orders were issued particularly for Mints but the Unions have gone to the RLCs and at present the issue is under conciliation proceedings.

VIGILANCE SET UP

Due to systematic institutional improvements carried out as a part of strengthening of the vigilance set-up, there has been a discernible improvement in following rules, procedures and guidelines relating to procurement. Training of officials and vigilance staff has been taken-up to enhance their capacity in implementation of CVC guidelines. The net result of preventive vigilance initiatives have been reduction in complaints, increased follow up of systematic procedures thus bringing in more transparency, economy and efficiency in SPMCIL's operations

CORPORATE GOVERNANCE

All the information as per DPE guidelines on Corporate Governance were placed before the Board. Your Company has duly constituted Audit Committee, Remuneration Committee and CSR&SD Committee. The compliance certificate has been obtained from the practicing Company Secretary regarding compliance of the guidelines on Corporate Governance by SPMCIL for the year 2014-15, which is annexed to the Directors Report.



AWARDS

Your Company has been awarded Performance Excellence Award-2014 by Indian Institution of Industrial Engineering (IIIE), Mumbai for its financial and operational performance. Bank Note Press, Dewas has been awarded the National Safety Award during September, 2014 by Hon'ble Union Minister of Labour & Employment both in the Category of Lowest Average Frequency Rate and Accident Free Year. Currency Note Press, Nashik has won the Rajiv Gandhi National Quality Award-2012 commendation Certificate from BIS in the area of Excellent in Quality. India Government Mint, Mumbai was awarded the second prize by TOLIC, Mumbai for excellent implementation of Official Language during 2014-15.

BUSINESS SCENARIO

During September 2014, RBI had substantially raised the indents of Coins ranging from about 13.45 billion pieces in 2014-15 to more than 16.10 billion pieces in 2018-19. Similarly, RBI had given the indents for Bank Notes which are about 40% to 50% higher. In the case of travel documents MEA has also given indents in September, 2014 for the next five years with indents increase to more than three times of the last year. Postal department has also given their indent forecasts for the next five years, which are also on the higher side of the last year indents.

SPMCIL has partly taken steps for capacity expansion of the Mints and the Bank Note Presses in line with the enhanced Indents of coins and bank notes. To bridge the gap proposals are being put up to Board as already mentioned earlier. In the interim, increase in production of Coins and Passports has been taken up after discussion with the Unions. Further investments in the passports will be done after confirmation of the indent/demand from MEA. Simultaneously, to meet the enhanced indents of the Postal authorities steps are being taken by printing presses.

However, during the year there has been considerable decrease in the indents of the NJSP ranging from 50% to 70% vis-à-vis average indents of the last three years. This issue has been taken up with the State Governments to give the indent forecast for the next five years. Similarly, the administrative Ministry has been requested to take up with the State Governments to ascertain the reason for sudden decrease in indents of NJSP.

ACKNOWLEDGEMENTS

I would like to acknowledge with deep sense of appreciation 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, Department of Pension and Family Welfare and various State Governments. 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 and the Statutory Auditors. Lastly, I would also like to place on record the sincere appreciation of the devotion and commitment of all executives and employees of the Company.

Jai Hind!

Place: New Delhi
Date: 8th December, 2015



(M.S. RANA)

Chairman & Managing Director



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

Email : info@spmCIL.com, Website : www.spmCIL.com

(CIN : U22213DL2006GOI144763)

NOTICE

Notice is hereby given that the 10th (Tenth) ANNUAL GENERAL MEETING of the Members of Security Printing and Minting Corporation of India Limited will be held on Tuesday, the 8th day of December, 2015 at 1:30 pm at Registered Office of the Company situated at 16th Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi-110 001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2015 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors' and the Auditors' thereon.
2. To fix the remuneration of the Auditors of the Company appointed by the Comptroller and Auditor General of India for the year 2015-16.

By Order of the Board of Directors

(SACHIN AGARWAL)
Dy. Company Secretary

Date: 8th December, 2015
Place: New Delhi

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.



DIRECTORS REPORT

TO THE MEMBERS

On behalf of the Board of Directors, it is my privilege to present the 10th Annual Report of the Company and Audited Annual Accounts for the financial year ended 31st March, 2015 together with the report of the Statutory Auditors and review of the Comptroller & Auditor General of India thereon.

PHYSICAL PERFORMANCE

Your Company has achieved all targets in production of Bank Notes, Coins, Security Products (Passports, NJSPs, Postal Products and other Security Products). While achieving the ever highest production targets SPMCIL has also increased productivity per employee considerably.

Your Company has produced 8358 million pieces of the Bank Notes and supplied 8141 Million pieces to RBI during the year 2014-15. This is 4.24% higher than the production of 8018 million pieces of the Bank Notes during the last year. Production of the Bank Notes per employee has increased to 2.12 million pieces in 2014-15 as against 2.01 million pieces achieved during the previous year

Your Company has produced 7929 million pieces of the Circulating Coins and supplied 7907 million pieces of the Circulating Coins during the year 2014-15. This is 3.65% higher than the production of 7650 million pieces achieved during the previous year. Production of Coins per employee has increased to 2.47 million pieces in 2014-15 as against 2.26 million pieces achieved during the previous year.

The Security Paper Mill in Hoshangabad has produced 3266 MT of the Security Paper on old plant and has supplied 3110 MT Security paper to the presses during the year 2014-15. This is 0.80% higher than the production of 3240 MT of the Security Paper during the last year. Production of the Security Paper per employee is 3.07 MT in 2014-15. This is the fifth year in succession that the Paper Mill has met with the target despite machinery being about 45 years old.

FINANCIAL RESULTS

The sales turnover of your Company has increased to ₹4408.38 crores in 2014-15 from ₹3797.62 crores in 2013-14 registering a growth of 16.08% over the previous year. The Sales per employee during 2014-15 has increased by 20.74% to ₹37.41 lacs from ₹30.98 lacs during the year 2013-14 primarily due to increase in the production during 2014-15.

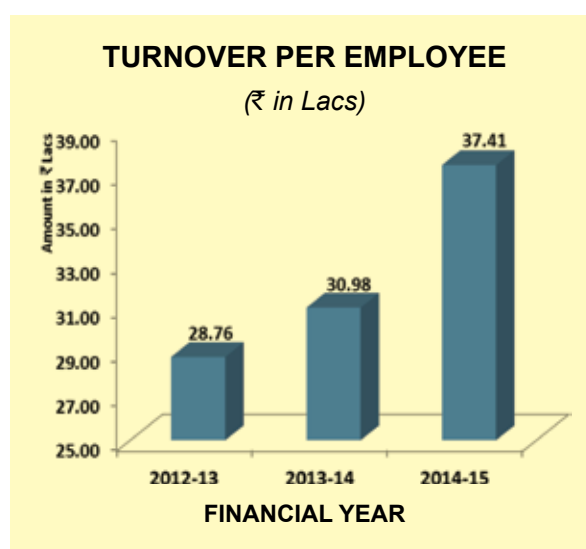
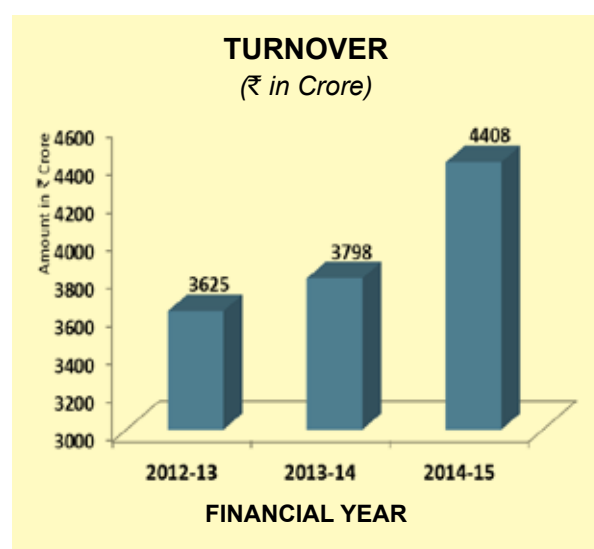
Despite increase in physical sale and total revenue the company has reported a net loss of ₹352.07 crores in the year 2014-15 as compared to a net profit of ₹214.63 crores in the year 2013-14 on account of price adjustment of coins from the year 2008-09 to 2012-13 aggregating to ₹1090.58 crores and price adjustment of postal items from the year 2006-07 to 2013-14 aggregating to ₹71.45 crores. The net impact of rate adjustment is ₹709.63 crores after writing back the rate difference provision pertaining to coins and postal items for ₹455.94 crores created in the earlier years. Further, the amount of depreciation has also increased in the year 2014-15 to ₹153.27 crores from ₹118.07 crores in the last year due to revision in depreciation rate consequent to reduction in useful life of assets as per Schedule II of Companies Act, 2013.



The fair price of postal products for the financial year 2006-07 to 2013-14 and fair price of coins for the financial year 2008-09 to 2012-13 have been finalized by Cost Account Branch (CAB) and approved by Ministry of Finance. A Committee was constituted in June 2008 headed by the then JS&FA, Ministry of Finance (MoF), Shri M. Deena Dayalan to study the costing of coins of all the Mints and recommend the fair prices of different denomination of coins. The Committee studied the costing of coins produced by all the Mints for the year 2007-08 and also the impact of 6th CPC on the salary and wages of the Company. The Committee submitted its recommendations in June, 2009 recommending the fair price of coins with 10% mark-up and SPMCIL has raised its sales bills for coins for the year 2008-09, 2009-10 and 2010-11 on the rates recommended by that Committee. DEA, Ministry of Finance had also released all payments to SPMCIL till the year 2010-11 on the basis of selling prices of coins recommended by the Committee headed by Shri M. Deena Dayalan. There was no point of difference on the prices of coins till financial year 2010-11 except for one debit note of ₹98 crores raised by SPMCIL in 2010-11 towards increase in the price of non-ferrous metals as per Board's approval.

Another Committee was constituted headed by Shri H. Pradeep Rao, AS & FA, MoF on costing of coins to recommend the fair price of coins from F.Y. 2011-12 onwards. However, the terms of reference of the Committee was enlarged to also include financial years 2008-09, 2009-10 & 2010-11 for the purpose of determination of fair price of coins. It is pertinent to mention that while finalizing the annual accounts of those financial years, the rates recommended by earlier Committee headed by Shri M. Deena Dayalan, then JS & FA, MoF were taken as final and based on those rates the annual accounts were prepared and the same were duly approved by the Board of Directors and adopted by the Shareholders of the Company in the Annual General Meetings & also duly laid before both the Houses of Parliament. The MoU ratings of the Company for those years had been assigned on the basis of those audited annual accounts as finalized based on rates of coins recommended by the earlier Committee. Any change in fair price of coins retrospectively for the years 2008-09, 2009-10 and 2010-11 may not be acceptable to Income Tax authorities and they may not allow tax benefits to the Company in respect of expenses pertaining to "Price difference of earlier year sales" recovered by DEA, MoF in the year 2014-15.

Apart from the above, price of coins for F.Y. 2013-14 is yet to be finalized by CAB and difference between billed rates (based on MoU rates for F.Y. 2012-13) and CAB rates (2013-14) shall be accounted for on submission of their report.





(₹ in crores)

Particulars	2014-15	2013-14
Sales Turnover	4408.38	3797.62
Revenue from Operations	4509.45	3897.53
Less: Rate Difference of Earlier Years	1162.04	—
Add: Provision Written Back	455.93	5.30
Adjusted Revenue from Operations	3803.34	3902.83
Add : Other Income	108.14	134.18
Less: Expenditure	4187.79	3700.49
Profit /(Loss) Before Extraordinary Items & Taxation	(276.31)	336.52
Less: Prior Period Items / Extraordinary Items (Net)	5.46	(10.20)
Profit / (Loss) after Extraordinary Items & Prior Period Item, before Taxation	(281.77)	346.72
Less: Tax Expense		
Provision for Current Tax	—	164.21
Provision for Deferred Tax	70.30	(34.20)
Taxes of Earlier Year	—	2.08
Profit /(Loss) After Taxation	(352.07)	214.63
Proposed Dividend & Tax	—	50.22
Transferred to General Reserve	—	21.46
Balance transferred to P&L A/c	—	142.95

MOU PERFORMANCE

Your Company has been granted the Excellent rating by the Department of Public Enterprises (DPE) for its MoU evaluation for the year 2013-14. This is the fifth year in succession your Company has been adjudged Excellent in its MoU evaluation. For the year 2014-15, the self-evaluation report of MoU duly approved by Board and Ministry has been sent to DPE. As per self-evaluation, Company is poised for Excellent rating for the sixth year in succession.



ACTIVITIES AT A GLANCE

Your company is operating 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 these verticals / units along with review of operational activity during 2014-15 is as follows:

1. MINTS

Your Company's four Mints are located at Mumbai, Cherlapally (Hyderabad), Kolkata and Noida.

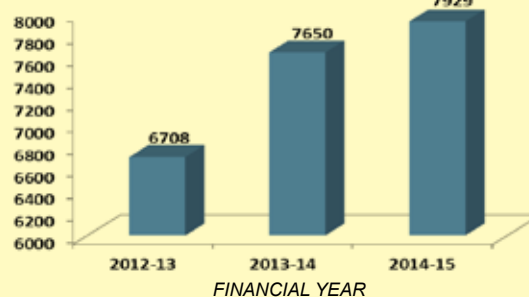
During the current year the four mints have produced ever highest no. of 7929 mpcs of circulating coins as against 7650 mpcs produced during the previous year. The production per employee during the current year has increased to 2.47 mpcs from 2.26 mpcs during the previous year. During the year the Mints also produced 5837 mpcs coin blanks as against 6057 mpcs produced during the previous year.

During the current year, the following commemorative coins were released by the Mints:-

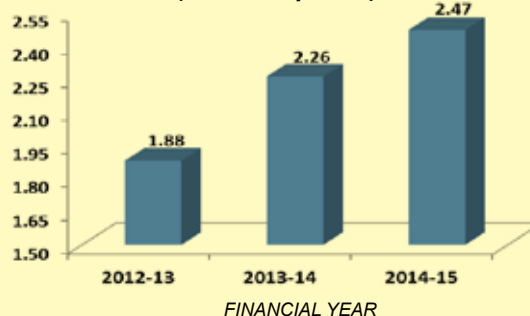
- (i) Diamond Jubilee of Coir Board, 1953-2013
- (ii) Centenary Commemoration of Komagata Maru Incident
- (iii) Birth Centenary of Begum Akhtar
- (iv) 125th Birth Anniversary of Jawahar Lal Nehru
- (v) 175th Birth Anniversary of Jamsetji Nusserwanji Tata
- (vi) 50 years of Engineering Excellence-BHEL
- (vii) Centenary Commemoration of Mahatma Gandhi's Return from South Africa

During the current year, IGM, Noida has produced 2970 mpcs circulating coins as against 2766 mpcs in the previous year. IGM, Mumbai has produced 1889 mpcs of circulating coins in the current year as against 1880 mpcs in the previous year. IGM, Hyderabad has produced 1329 mpcs of circulating coins in the current year vis-à-vis 1320 mpcs produced during the previous year. IGM, Kolkata has produced 1741 mpcs of circulating coins as against 1684 mpcs produced in the previous year.

**Circulation Coins Production
(in million pieces)**



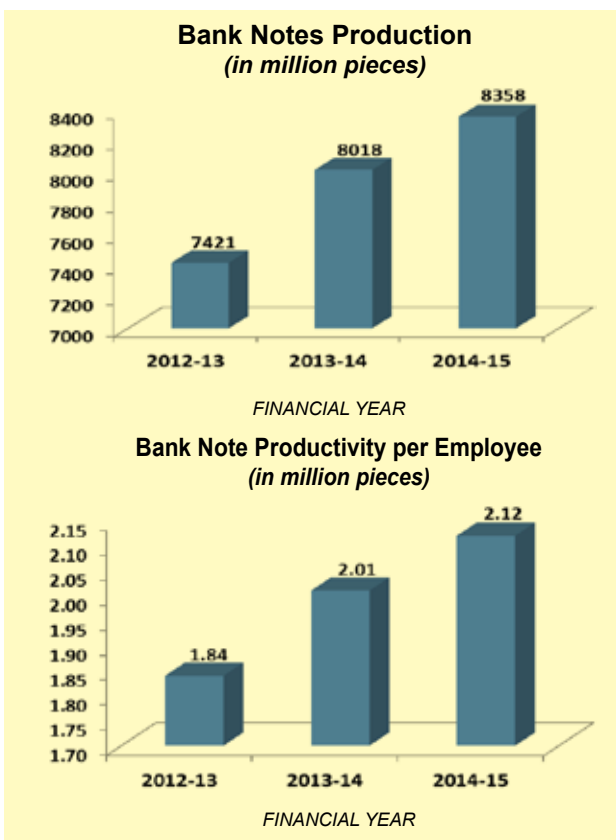
**Circulation Coins Productivity per Employee
(in million pieces)**





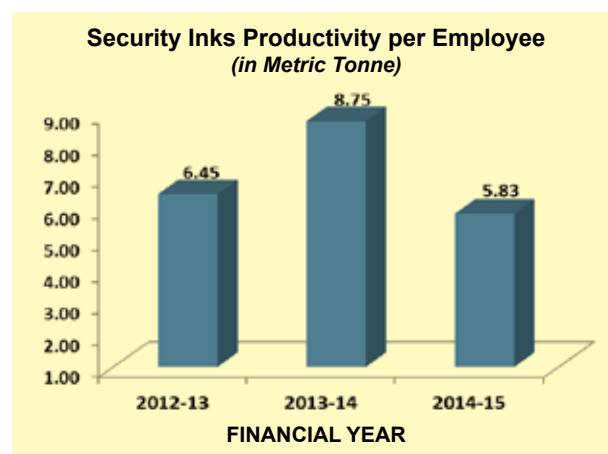
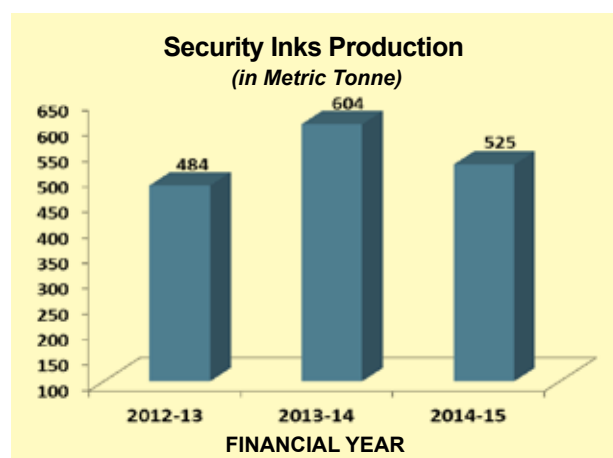
2. CURRENCY PRINTING PRESSES

There are two Currency Printing Presses i.e. Currency Note Press, Nashik and Bank Note Press, Dewas which are engaged in production of Bank Notes. CNP, Nashik has produced 5774 million pieces of Bank Notes in 2014-15 as against the 5266 mpcs in the year 2013-14. CNP has supplied 5559 million pieces of banknotes to RBI during the year 2014-15 as against 5241 million pieces of banknotes during the last financial year. Bank Note Press, Dewas has produced 2582 mpcs of Bank Notes in 2014-15 as against 2752 mpcs in the previous year. The production at BNP is comparatively low in the current financial year due to increased product mix of high denomination. BNP has supplied 2584 million pieces of banknotes during the year 2014-15 as against 2751 million pieces during the previous year.



3. INK FACTORY AT DEWAS

Phase-I modernisation of Ink factory, Dewas has been completed and Phase-II modernisation is in progress. Ink factory is manufacturing Quickset Intaglio Inks departmentally for use on Super Orlof Intaglio printing machines. During the current year, Ink Factory has manufactured 524.88 MT Inks as against 604 MT Inks during the previous year. During the current year SPMCIL presses have been by and large self-sufficient in Inks through captive Ink Factory, Dewas.



4. SECURITY PRINTING PRESSES

There are two Security Presses, i.e. India Security Press, Nashik and Security Printing Press, Hyderabad which are involved in the printing of various security products like Passport booklets, International Visa Stickers, Non-Judicial Stamp Papers (NJSPs), Postal Stamps & Stationeries and other various security documents.



During the year 2014-15, your company has printed 10.67 million passport booklets as against 6.30 million in the previous year and 414 million pieces NJSPs as against 411 million pieces in the previous year.

5. SECURITY PAPER MILL

(a) Security Paper Mill, Hoshangabad

New Bank Note Paper Line of 6000 MT Capacity per year at Security Paper Mill, Hoshangabad was inaugurated and the first consignment of ₹1000/- Bank Note Paper made indigenously on this machine dispatched to Currency Note Press, Nashik by Shri Arun Jaitley, Hon'ble Union Minister of Finance, Corporate Affairs and Information & Broadcasting in the august presence of Shri Shivraj Singh Chouhan, Hon'ble Chief Minister, Madhya Pradesh and other dignitaries & senior officials of SPMCIL and Ministry of Finance on 30.05.2015 at Hoshangabad.



SPM, Hoshangabad has embarked upon the objective of modernisation of the process technology and to cater the pulp demand in a viable manner. As part of this programme and to improve the quality of pulp, a new BIVIS Pulp Plant having pulping capacity of 25 MT per day has been commissioned with the state of art of technology controlled by Distributed Control System and the imported technology has been fully absorbed. Now plant is producing pulp required for paper machines.

Though the existing Paper Mill at SPM, Hoshangabad is about 45 years old, it has been able to meet its target for the fifth year in succession. During the year, it has produced 3266 MT of Security Paper as against 3240 MT during the previous year.

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

SPMCIL has setup a 50:50 JV in October, 2010 in association with Bhartiya Reserve Bank Note Mudran Pvt. Ltd. in the name of Bank Note Paper Mill India Private Limited (BNPMIPL) to implement a Green-Field project of setting up of a bank note paper mill with capacity of 12000 MT per year to be commissioned in two phases. The construction, erection of plant & machinery, utilities etc. are nearing completion. Due to delay in obtaining various approval/clearances from authorities for construction/laying of power line, construction of overhead bridge for ETP coupled with slow progress in the related work due to among other things, non-availability of power in time will add to the delay in commissioning of plant and commencement of commercial production which is now scheduled in December 2015.

MODERNISATION AND CAPACITY AUGMENTATION

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

Currency Presses

- One Bank Note Printing Line each at Currency Note Press, Nashik & Bank Note Press, Dewas



on replacement basis has been sanctioned by SPMCIL Board. The procurement of bank note printing and finishing line consisting of offset printing machine, intaglio machine, numbering machine and finishing machine is in process.

- Two nos. of Electronic Numbering Control (ENC) Systems have been installed on Super Numerota machine CNP, Nashik, leading to reduction in wastage.
- CNP, Nashik has procured Spectro Densitometer for quality improvement of banknotes according to ISO Standards.
- Bank note simulation testing equipment has been installed for estimating life of banknotes at CNP, Nashik.
- Two number of Bank Note Processing System (BPS 2000) have been installed one each at CNP, Nashik and BNP, Dewas. This machine has a facility of single note examination, spoil rejection, shredding of the spoil notes, banding & shrink wrapping of good banknotes automatically in one pass.
- Two Mini Finishing Machines for banknote processing have been installed and commissioned at CNP, Nashik. The machine is equipped with banknote counting, 100 banding, stacking with turning alternate packets, 1000 Banding, 1000 Counting, Scanning of Top Numbered Note, Shrink wrapping, Printing and Pasting the labels.

Ink Factory

- Your Company's printing presses are by and large self-sufficient for Quickset Intaglio Ink, Dry Offset Ink and Letter Press Ink.
- During the year, one number of indigenously developed Gravimetric filling machine has been installed and commissioned at BNP, Dewas.
- Two Viscometers and one Tack-o-Scope installed and commissioned at BNP, Dewas.

Security Presses

- SPP, Hyderabad has placed a supply order for procurement of one number of computerized perforating machine having inline Kiss-Cut facility for manufacture & supply of high quality postal & non postal stamps.
- Retro-fitting on existing automatic manufacturing system has been carried out to improve the quality of Passport booklets and to meet the requirements of International Civil Aviation Organisation (ICAO).

Security Paper Mill

- SPM, Hoshangabad successfully commissioned Integrated New CWBN Paper manufacturing facilities with a state of art technology with capacity of 6000 MT per annum and commenced commercial production of CWBN paper.
- In order to meet demand of quality pulp, a new BIVIS Pulp Plant having pulping capacity of 25



Inauguration of New CWBN Paper machine



MT per day has been commissioned with the state of art of technology controlled by Distributed Control System.

- A full-fledged R&D centre for Paper, Pulp etc. has been established at the unit. Latest testing equipment & machinery had been procured and installed successfully in the R&D centre.
- New Quality Assurance Laboratory has been established for new paper making facilities at SPM, Hoshangabad.



Pulping Plant

Mints

- SPMCIL Board in its 63rd meeting held on 12.12.2014 approved the proposal for carrying out the capacity expansion project of India Government Mints by procurement of required plant & machinery for increasing minting capacity of circulation coins from 6000 mpcs to 13000 mpcs at the estimated cost of ₹350 crore.
- IGM, Noida has created the facility of PVD coating technology of dies for circulating coins for increasing the life of dies.
- IGM, Noida also successfully introduced TC Collars which improved the serrations of the minted coins and the life of the collars has nearly doubled.
- KROMAS Polishing Lines has been installed and commissioned at IGM, Hyderabad and IGM, Kolkata which is capable to pickle and polish with single chemical as compared to three chemicals in old machines.
- IGM, Kolkata has also installed the CNC Lathe Machine

HUMAN RESOURCE MANAGEMENT

Manpower Plan and Productivity

- Manpower in your Company has come down to 11,784 as on 31.03.2015 in comparison to previous year's strength of 12,257.
- During the year, 55 nos. of Executives were recruited at E-1 level, 61 nos. of Supervisors recruited at S-1 level and 158 nos. of Workers recruited at W-1 level for New Paper Line at Hoshangabad.

Training & Development

- Training and retraining of Employees to upgrade functional skill and expertise along with development of their soft skill and group dynamics was a thrust area for the Company. Keeping the above broader objective in mind, 11.67% of Employees were trained during the year.
- Two Executive Development Programs were conducted at NIFM, Faridabad during the year.
- 222 Executives which constitute 65.29% of Executives strength were trained during the year 2014-15 including 146 Executives in SAP module.
- 219 Supervisors constituting 19.21% of total strength of Supervisors and 895 Workmen constituting 8.98% of total workmen strength were trained during the year.



- 39 out of 62 nos. of Supervisors which constitute 62% were trained to run new CWBN Paper Plant.

Industrial Relations

- Two meetings of the Apex Bipartite Forum were successfully conducted during the year. The focus in these Bipartite Forum Meetings inter alia was more on uniform Promotion Policy for the Non-Executives.
- The Industrial relations scenario in all Nine Units of the Company remained peaceful during the year.

HR Benchmark Project

- Two workshops / seminars were conducted in each Unit and utility index on a 10 point scale was derived with an average score of 7 and rated as Excellent. Workshop conducted in the Corporate Office and presentation made by the HR team on “Intellectual Property” got encouraging response from the Employees.

Employee Engagement Survey

- Employee Engagement Survey was conducted during the year. Data analysis shows that the Company has reached a reasonably high standard in employee engagement as the average index is 83 out of 100 which is reasonably high standard of Employees engagement as evident from such surveys conducted elsewhere.

Connecting with Employees

- Inter-Unit Football tournament at ISP, Nashik was an important event to connect with the Employees.
- Women’s Day was celebrated at Corporate Office, New Delhi.
- One interaction with the SC/ST and OBC representatives from all nine Units of SPMCIL was conducted during the year followed by one day training programme for these employees.
- SPMCIL Foundation Day - 2015 was celebrated at New Delhi with full zeal and Hon’ble Union Minister of Finance, Corporate Affairs and Information & Broadcasting graced the occasion as the Chief Guest and gave awards to meritorious employees and shields to Units for outstanding performance.
- Best Performing Units were awarded for meritorious work in categories of Environment & Safety, Energy Conservation, Productivity, Training & Development, Rajbhasha and Vigilance. Individual employees were awarded cash prize and certificates for their meritorious service during the year.

Representation of SCs, STs, and OBCs

Presidential Directives and other guidelines issued by the Department of Public Enterprises from time to time with regard to reservation in services for Schedule Castes, Scheduled Tribes, etc, were meticulously followed. In accordance with para 29 of the Presidential Directive statistics relating to representation of SCs/STs in the prescribed proforma, SC/ST/OBC Report-I and SC/ST/OBC Report-II is attached at ***Annexure-I*** to the report.



CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT

Corporate Social Responsibility has been the cornerstone of success for your corporation right from its inception. The Corporation sees itself as an essential part of society and is well aware of its responsibilities beyond financial considerations towards improving the quality of life of the communities at large. A report on your Corporation's CSR Activities & Sustainability as per the provisions of the Companies Act, 2013 during the year is enclosed at **Annexure-II** to the report.

The CSR & Sustainability Policy of the Company can be accessed at the website of the Company, i.e. www.spmcil.com.

IMPLEMENTATION OF OFFICIAL LANGUAGE

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. Annual Hindi Week Function was celebrated in the Corporate Office during 15th to 19th September, 2014 and activities such as Hindi Week, Fortnight and Hindi Month were celebrated with full awareness in all the Nine Units.

Quarterly meeting of the Official Language Implementation Committee were held regularly in all units. The works in Hindi language have been done on computers in Corporate Office as well as in nine Units through Unicode software. 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 your Company during the year 2014-15:-

Annual Programme

- Annual programme for the year 2014-15 for implementation of Official Language, issued by Department of Official Language, was circulated for implementation in Corporate Office and all the nine Units. To ensure its compliances, the programme was reviewed regularly in the quarterly meetings of OLIC held at Corporate Office.
- Progress in Hindi correspondence in all Units was found appreciable.
- Significant increase in correspondence of Corporate Office was noticed in all the three regions 'A', 'B' & 'C' i.e. 4.44%, 8.18% and 11.07 % respectively since March 2014 i.e. correspondence report as on March 2014 in region A was 70.45%, in region 'B' was 63.73% and in region 'C' was 58.75% which increased to 74.89% in Region 'A', 71.91% in Region 'B' and 69.82% in Region 'C' as on 31st March, 2015.

Official Language Inspection

- The Third Sub-Committee of Parliamentary Committee on Official Language reviewed through verbal interaction the progress of Official Language in IGM Mumbai on 07.01.2015 through TOLIC Convener Undertaking, Mumbai. The progress in Unit was appreciated.
- Inspection was carried out by Corporate Office in its four Units i.e. at ISP, Nashik (27.08.2014) CNP, Nashik (28.08.2014), IGM Kolkatta (7.11.2014) and SPM, Hoshangabad (19.03.2015) to their entire satisfaction.
- Inspection was also carried out by the Regional Implementation Office, Department of Official Language, New Delhi at SPMCIL Corporate Office on 20.03.2015 to their entire satisfaction.



Official Language Training and Conference

- One day Hindi Training and Conference in respect of Officers and employees of Official Language of all the Units was held on 17.11.2014 in BNP, Dewas under the aegis of Corporate Office.
- One day joint Hindi Workshop was 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 at BNP, Dewas on 18.11.2014.
- Nine employees were awarded incentive amount by Corporate Office after completing Hindi Stenography Training and Typing training held by Department of Official Language, Ministry of Home Affairs, Government of India.

Translation

- Annual Report of the Company was made bilingual during 2013-14.
- Most of the Minutes of the meetings held at higher level were made available in bilingual form.
- Translated version in Hindi was made available simultaneously to upload on the website of the Company

Prizes and Awards

- India Government Mint, Mumbai was adjudged as the best unit for implementation of Official Language and accordingly, awarded with Shri Shankar Dayal Singh Running Shield on the occasion of SPMCIL Foundation Day (10.02.2015).
- All the incentive schemes regarding progressive use of Official Language were implemented in Corporate Office.
- Mint Patrika was made available online by India Government Mint, Mumbai.

Other Work

All the messages and speeches given at various occasions by CMD & Director (HR) were originated in Hindi.

VIGILANCE ACTIVITIES

- **Vigilance set up:** The Board of Directors of your Company has approved the creation of 25 posts for the Vigilance Department of the Company. 19 officers/staff are working in corporate office as well as in the units to look after Vigilance Work. Other posts are under filling up.
- The work of Preventive Vigilance has been given primary importance. Vigilance Department has been doing the important work of Annual Physical Verification of security items in the units. CTE type inspections are being conducted regularly. Process Audit of commemorative coins in the Mints has been conducted. There is a substantial improvement in online payment to the suppliers. Tenders and tender award details are being uploaded on website by the units in a regular manner. A system of online registration of complaints is also operative. Various initiatives have been taken to undertake effective Vigilance work as summarized below.
- **Impact/Achievement of Vigilance functions:**
 - i) There has been a discernible improvement in following of rules, procedures and guidelines



relating to procurement, tendering and other vigilance activities. Important circulars from Central Vigilance Commission have been compiled and explained to senior staff in the units by Vigilance Department.

- ii) There has been significant capacity building amongst staff working in vigilance, procurement work and finance functions.
 - iii) Leveraging of information technology has been extensively used by uploading of tenders in downloadable form and post award details on website, increasing e-payment and the facility of registering complaints online.
 - iv) The Procurement Manual has been followed meticulously in all procurements which has brought significant improvements in procurement practices.
 - v) On the basis of observations made by Vigilance Department in CTE type inspections, recoveries have been made in some cases from suppliers.
- **Dissemination of information pertaining to important CVC guidelines:** Amongst others, information on monthly basis is collected on the subject of negotiations with L-1 in tenders, where samples are called along with tenders, uploading of tenders in downloadable form & publishing of post award details on website, e-payments etc. This has yielded good results due to closer monitoring & supervision and also improving transparency in decision making.
 - **Integrity Pact:** Initiative has been taken for adoption of Integrity Pact (IP) in major Procurement activities in SPMCIL. The names of IEMs on the panel of Independent External Monitors (IEM's) for SPMCIL have been approved by the Central Vigilance Commission. It has been introduced in SPMCIL for all tenders above a threshold value of ₹20 crores. Two meetings with IEMs had been held at Corporate Office during the year.
 - **Intensive Training of staff involved with procurement:** Senior vigilance officials had periodically interaction meetings with the procurement staff/officers of the units to clarify the procurement issues including related CVC guidelines.
 - **Training to vigilance officials:** During the year, Vigilance officials were deputed rotationally for the various training programs/Seminars like Procurement Governance (Two man-days), Training for CVOs of PSUs & Banks (Five man-days), In-house Training for Vigilance Assistants (Sixteen man-days) and Preventive Vigilance, Investigation. Departmental Enquiry and Law on Termination (Three man-days). In all, 26 man-days of training were imparted during the year.
 - **Conduct of CTE type inspections by CVO:** Twenty 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, an advisory to three executives and two officials were issued based on the observations of CTE Type Inspection along with levy of Minor Penalty to three executives.
 - **Activities during Vigilance Awareness Week:** The Vigilance Awareness Week was observed between 27th October to 1st November 2014 highlighting the main focus of the week viz. "Combating Corruption – Technology as an enabler". During the Vigilance Awareness



Week, the inaugural issue of SPMCIL E-Periodical titled 'Satarkvani' was released. Further, various activities like Interactive sessions with the executives, Workshops, Lectures/Seminars by prominent faculty, competitions in schools, vendors/suppliers meet, slogan writing/debate/



painting/drawing/ quiz competitions etc. were organised for increasing transparency and awareness amongst the stakeholders & school children also.



- **Work relating to the Annual Physical Verification (APV) of stocks:** As per the decision of DEA, MoF, this work is now being done by the Vigilance Department of SPMCIL w.e.f. 01.04.2010. During the year 2014-15, 12 such APVs were held in the units of SPMCIL.
- **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. During the year, 85 numbers of APRs have been scrutinized.
- **Disposal of Complaints:** Total 126 complaints have been received in the Vigilance Department and 108 numbers of complaints have been disposed of/closed and remaining eighteen complaints are in process and under various stages of investigation. Based on the findings of investigation done by the Vigilance Department, Major Penalty advised to two officials and Minor Penalty advised to nine officials along with advisory to four executives & three officials has been issued by the concerned Disciplinary Authority.
- **Review of Performance:** Performance of Vigilance Department is 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

The SAP-ERP system with SAP ERP core modules like Production Planning (PP), Material Management (MM), Finance & Costing (FICO), Human capital Management (HR), Quality Management (QM), Plant Maintenance (PM), Project Systems (PS) along with various technical modules like Enterprise Portal (EP) & Business Intelligence (BI) were successfully upgraded to the ECC SAP 6.0, EhP 6.0 version from ECC SAP EhP 4.0 by the SPMCIL's IT team. The Oracle database at Data Centre, Noida & the Oracle database at Disaster Recovery Centre, Hyderabad were also upgraded from version 10.2.0.5.0 to 11.2.0.3.0 successfully. With the meticulous planning, persistent hard work of the IT team, the arduous upgrade activities were completed in



record time of 56 days against the standard time of 100 days, without effecting the production across all plants.

With the SAP ERP upgrade functionalities in HR like Salary Statement and Income Tax Projection, Income Tax related Changes, E-separation, ESS based declaration for income tax exemption, house rent amount, declaration for Section 80, 80C etc. was available through ESS portal enabling the strong employee base of about 12000 through the Employee Self Service portal. New functionalities in Finance viz. Statutory Reports like Form 16, Form 24Q, Impairment of assets in accordance with IAS 36, depreciation calculation, Export Customs Declaration etc. was made available in the SPMCIL SAP ERP system.

SAP ERP system was made available to the SAP users in official language of Hindi based on the Multi Language Support feature of SAP. The SPMCIL SAP users will be able to login to the system by selecting the language as Hindi in the Login window, the standard labels and text will be displayed in Hindi and the transactional data will be displayed in English as the Master database has been maintained in English. Efforts are being made by the IT team to also develop the standards reports print out in Hindi.

Mapping of new paper line named PM# 5 at SPM, Hoshangabad, in the SPMCIL's existing SAP ERP system was technical configured by SPMCIL's IT team. All the implementation activities like End user trainings (EUT), User Acceptance Tests (UAT), Master data collection etc. were carried out by SPMCIL's in-house IT team internally, which shows the maturity level & gradual ownership transfer from the IP team to SPMCIL's own SAP certified IT team. The new Paper Line PM# 5 successfully went live on 8th May, 2015.

Keeping in line with the directions from the administrative Ministry, the Annual Performance Appraisal Report (APAR's) of the employees from supervisors level & above have been made available for the employees through ESS. Online Performance Management System (OPMS) has been configured for Go-Live from financial year 2015-16 for all SPMCIL's IDA employees. Various systematic efforts are being made in the areas of maintaining & sustaining, process improvements, IT team empowerment & strengthening SPMCIL's SAP ERP system

Feasibility study for implementing E-procurement and mapping of vigilance department's requirements in an exclusive Vigilance module is being carried out as an initiative for process improvement and keeping in line with the objectives of Project Paardaksh to bring transparency & synergy in the operations of the Company.

INITIATIVES FOR IMPROVEMENT IN OPERATIONAL EFFICIENCY

Benchmarking of Capacity Utilization and Productivity Benchmarking

SPMCIL has engaged the services of M/s. Strategic Management Group (SMG), New Delhi to conduct study on "Benchmarking of Capacity Utilization and productivity benchmarking of SPMCIL Units. SMG has submitted its report in January, 2015. The study report highlights the salient features, observations and findings separately of each production verticals i.e. Security Presses, Bank Note Presses, Security Paper Mill and India Government Mints covering operations of each of the Units and offers observations, findings and suggestions for improving the operational efficiency.



Plant Scale Trial for Feasibility of Bio-Enzymatic Refining of Cotton Pulp

Based on the Laboratory studies carried out by CPPRI on the assigned R&D projects "Consultancy services for study of feasibility of bio/enzymatic refining of cotton pulp for manufacturing of security paper", plant scale trial was carried out in New Pulp Mill (BIVIS) of SPM, Hoshangabad to assess the actual benefits in the plant. The study was also part of MoU targets for the year 2014-15.

Development of Methodology for Estimating life of Bank Notes by Simulation

CNP, Nashik has undertaken the study "Development for estimating life of bank notes by simulation" under R&D activities. The samples of fresh notes of ₹10/-, ₹50/- ₹100/- and ₹1000/- denomination (un-numbered) were put into extensive tests, into 'Bank Note Circulation Simulator' and with the help of using Currency Simulation Tester, CNP has developed the methodology to estimate the life of banknotes through Simulation process.

Implementation of Six Sigma

India Government Mint, Noida a unit of SPMCIL has implemented the Lean Six Sigma Practices. The certificate of successful deployment of Lean Six Sigma practices awarded to IGM, Noida by Quality Growth Services Pvt. Ltd., partner of Pivotal Resources Inc, USA and accredited by International Accreditation Organisation (IAO). The implementation of Six Sigma was also part of MoU targets for the year 2014-15.

EVENTS

- SPMCIL has paid a dividend of ₹42.93 crores to Govt. of India for the financial year 2013-14. Shri M.S. Rana, CMD, SPMCIL presented the dividend cheque to Hon'ble Union Minister of Finance, Shri Arun Jaitley towards Final Dividend for the year 2013-14 at a brief meeting held on 08.12.2014 at North Block, New Delhi. On this occasion, Shri Rajiv Mehrishi, Finance Secretary & Secretary, DEA, Ministry of Finance and other Functional Directors of SPMCIL were also present. This is the Fourth year in succession when SPMCIL has paid Final Dividend @ 20% of the Net Profits of the Company to Govt. of India.



CMD, SPMCIL, Shri M.S. Rana presenting the dividend cheque of ₹42.93 crores for the year 2013-14 to Hon'ble Union Minister of Finance Shri Arun Jaitley

- SPMCIL celebrated its 9th Foundation Day on 27th March 2015 at a programme held at National Media Centre, New Delhi. Union Minister of Finance, Corporate Affairs and Information and Broadcasting Shri Arun Jaitley was the Chief Guest of the programme. The function was also attended amongst others by the various dignitaries and senior officers of the Ministry of Finance and other Ministries. The Hon'ble Minister also addressed the audience and appreciated the progress made by the Company in the production of Bank Notes and Coins and the steps taken to modernize the Units with capacity expansion through internal resources. He distributed the Awards to the selected Units for their excellent performance



Snapshot during SPMCIL Foundation Day Celebration at National Media Center, New Delhi



in different fields and also Excellent Individual Awards to the employees for their excellent performance.

- SPMCIL participated in the cleanliness campaign commencing from 25th September 2014 pursuant to Prime Minister's call for 'Swachh Bharat'. Accordingly, the Company initiated necessary action to sensitize its employees across all Units about cleanliness and sanitation.



CMD, SPMCIL administering Swachhta Pledge to the Executives and Employees at SPMCIL Corporate Office

- SPMCIL entered into a Memorandum of Understanding (MOU) with Central Pulp & Paper Research Institute (CPPRI), a national level institute under the administrative control of Dept. of Industrial Policy & Promotion, Ministry of Industry, Govt. of India on 9th January, 2015. The MOU affirms commitment of SPMCIL and CPPRI for undertaking Research and Development Activities and dissemination of knowledge and research training in area of pulp & currency paper. This collaboration shall lay fruitful foundation for SPMCIL to foray into basic Research



A glimpse during the signing of MoU between SPMCIL and CPPRI

and Development in area of bank note paper testing; continuous process improvement for paper manufacturing process and search for new raw materials for bank note paper substrate. The MoU will facilitate cooperative initiatives in the area of basic research to increase awareness and information sharing amongst key stakeholders through joint research, workshops and seminars and regional and international forums.

- SPMCIL entered into a Memorandum of Understanding (MOU) with Foundation for Innovation and Technology Transfer (FITT) an industrial interface organisation, established as a Registered Society at Indian Institute of Technology Delhi (IIT Delhi) on 15th January 2015. The MoU has been envisioned to foster collaboration on research, training and professional development and exchange of technical expertise in areas of mutual interest such as material sciences and testing capabilities.



A glimpse during the signing of MoU between SPMCIL and FITT, Delhi

- SPMCIL entered into a Memorandum of Understanding (MOU) with Indraprastha Institute of Information Technology, Delhi (IIIT-D), a research-led Institute created by an Act by Govt. of Delhi as fully empowered State University on 19th January 2015. The MoU aims to facilitate collaboration on research and exchange of technical expertise in field of Information technology, computing and advance analytics.



Exchanging MoU with IIIT-Delhi



- CSIR-National Chemical Laboratory (CSIR-NCL), Pune entered into a Memorandum of Understanding (MOU) with SPMCIL, New Delhi on January 27, 2015. The MoU has been envisioned to foster collaboration on research and exchange of technical expertise in areas of material sciences and testing capabilities for bank notes, security documents and coins. The agreement ascertained the research projects within the focus areas of SPMCIL's requirements and domain expertise available at CSIR-NCL.

- Your company has signed a growth oriented Memorandum of Understanding (MoU) with the Department of Economic Affairs (DEA), Ministry of Finance, setting an ambitious Sales target of ₹4375 crores and Gross Operating Margin target of ₹635 crores for the fiscal 2015-16. The MoU has been signed based on the targets and the parameters negotiated by a Department of Public Enterprises (DPE) appointed Task Force (TF).



A glimpse during exchanging of MoU 2015-16 between Shri M.S. Rana, CMD, SPMCIL and Shri Ajay Tyagi, Additional Secretary, DEA, MoF

- New Bank Note Paper Line at Security Paper Mill, Hoshangabad was inaugurated and the first consignment of Rs.1000/- Bank Note Paper made indigenously on this machine



Hon'ble Union Finance Minister, Shri Arun Jaitley addressing the audience during inauguration of New Bank Note Paper Line at SPM, Hoshangabad

dispatched to Currency Note Press, Nashik by Shri Arun Jaitley, Hon'ble Minister of Finance, Corporate Affairs and Information & Broadcasting in the august presence of Shri Shivraj Singh Chouhan, Hon'ble Chief Minister, Madhya Pradesh, and other dignitaries & senior officials of SPMCIL and Ministry of Finance on 30.05.2015 at Hoshangabad.

- A conference on 'Make in India - Indigenisation of Currency' was organized by the Department of Economic Affairs, Ministry of Finance and supported by SPMCIL, Reserve Bank of India, BRBNMPL and BNPMIPL at Vigyan Bhawan, New Delhi on 02.06.2015. The conference was inaugurated by Shri Arun Jaitley, Hon'ble Union Finance Minister, Corporate Affairs and Information & Broadcasting in the august presence of Shri Jayant Sihna, Minister of State for Finance. Shri Amitabh Kant, Secretary (DIPP); Shri Ajay Tyagi, AS & DG (Currency), DEA, MoF, Dr. (Smt.) Deepali Pant Joshi, ED, RBI, Directors of SPMCIL and other senior officers of Ministry of Finance and SPMCIL were also present on this occasion.



Hon'ble Union Finance Minister, Shri Arun Jaitley addressing the audience during inauguration of session of conference on 'Make in India - Indigenisation of Currency'



AWARDS

- Currency Note Press, Nashik has won the prestigious Rajiv Gandhi National Quality Award-2012 Commendation Certificate. Rajiv Gandhi National Quality Award is instituted by the Bureau of Indian Standards, with a view to encouraging Indian manufacturing and service organisations to strive for excellence and giving special recognition to those who are considered to be the leaders of quality movement in India.
- Bank Note Press, Dewas, has been awarded a prestigious National Safety Award on 17th September, 2014 at Vigyan Bhawan, New Delhi in the category of “Industries engaged in manufacturing of paper & paper products, publishing, printing, production of recorded media”. This award is based on “Accident free year” under Schedule-I for the performance year 2012. It is also worth mentioning that BNP, Dewas has also received another award based on ‘Lowest average frequency rate of accident’ under Schedule-II. These awards were presented by the Honourable Union Minister of Labour & Employment Shri Narendra Singh Tomar to Shri Sanjeeva Ranjan, General Manager, Bank Note Press, Dewas on 17.09.2014.
- Your company has been awarded Performance Excellence Award-2014 by Indian Institution of Industrial Engineering (IIIE), Mumbai for its financial and operational strength. This award recognises the growth and performance excellence achieved by the Company during 2013-14.
- India Government Mint, Mumbai was awarded with the Second Prize by Town Official Language Implementation Committee, Mumbai (Undertaking) for excellent implementation of Official Language during 2014-15.

HIGH SECURITY MANAGEMENT SYSTEM

Security is the heart and soul of any organisation. This is achieved through a network of highly sophisticated system of monitored logistics, check and control mechanisms at different areas, physical control barriers, security procedures and processes.

Our security experts ensure that this sophisticated vigilant security system works perfectly round-the-clock to make sure that the products we produce for our customers are always under vigilant eyes. At present CISF is looking after security arrangements of 6 units and security of remaining three units is entrusted to State Police Guards/ Departmental Security. Induction of CISF in these units is also under process. State of Art IP based security surveillance system has been installed in six units. Intelligence Bureau (IB) personnel under Ministry of Home Affairs are posted in the currency / security presses

ECO FRIENDLY OPERATIONS AND ENERGY CONSERVATION

- A 3-stage Effluent Treatment Plant for new papermaking facilities (PM#5) has been got designed, constructed, erected & commissioned by SPM, Hoshangabad at the total cost of ₹5.04 crores.
- The Water Recycling Plant at SPM, Hoshangabad was inaugurated on 14.01.2014, and the effluent water has been recycled & reused for paper making and other purposes. Continuing with this practice of recycle & reuse, pipelines have been laid down on the area in front of PM#5 for distribution of recycled water for horticulture purpose, and a green area has been developed there.
- SPM, Hoshangabad actively participated as a co-organiser in Jan-Jaagruktaa Awareness Rally organized by MPPCB Bhopal on 03.06.2014 on the occasion of World Environment



Day 2014. On this occasion, environmental awareness rally followed by a tree plantation programme were organised.

- The tree plantation is being carried out regularly by the units of your Company for protection and conservation of environment. During the year under review, 100 tree saplings were planted in SPM, Hoshangabad Campus. The unit funded ₹1.19 crore for plantation of one lakh trees saplings on the banks of Narmada River under Corporate Social Responsibility activities. The saplings were planted in phase-wise manner, and the plantation of one lac saplings were completed in the year 2014-15.
- SPM, Hoshangabad has been complying with all the environmental obligations pertaining to pollution matters and it has been granted consents for Air & Water (for period of one year) by Madhya Pradesh Pollution Control Board (MPPCB), Bhopal. The unit has also been granted authorisation for collection/ reception/ treatment/ transport/ storage / disposal of Hazardous Wastes for a period of five years w.e.f. 03.03.2013 by MPPCB, Bhopal under Hazardous Waste (Management, Handling and Trans boundary Movement) Rules, 2008.
- BNP, Dewas has completed the work of Rain Water Harvesting Project covering its additional 1/3rd plant area for efficient utilisation of rain water. CNP, Nashik has also provided Rain Water harvesting system at its new Administrative Building premises.
- Operation & maintenance of combined Effluent & Sewage Treatment Plant for effective treatment of effluent generated in factory to maintain the environment parameters within prescribed limits & to maintain Zero discharge condition of Consent issued by MP Pollution Control Board.
- All nine units of your Company have implemented Environment Management System (EMS) in compliance of the International Standards ISO 14001:2004 for better environmental management.
- Retaining its commitment to produce cost effective quality products, all nine units had got ISO 9001:2000 and ISO 14001:2004 Certification.

COMPLIANCE WITH THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESAL) ACT, 2013

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 to conduct enquiries. The Company did not receive any complaints to report in the Board's Report.

DIVIDEND

In view of loss incurred by the Company during the year 2014-15, the Board of Directors had not recommended any dividend for the year 2014-15.

PARTICULARS OF EMPLOYEES

As per the provisions of Section 197 of the Companies Act, 2013 and rules made thereunder, Government companies are exempted from inclusion of the statement of particulars of employees drawing remuneration of ₹ 60 lakh or more per annum, if employed throughout the financial year, or ₹ 5 lakh per month, if employed for part of the financial year. The information has, therefore, not been included as part of the Directors' Report.



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) is annexed at **Annexure-III** to the report.

BOARD OF DIRECTORS

- Pursuant to Article 13(3)(a) of Articles of Association of the Company, Dr. Saurabh Garg, Joint Secretary (I&C), Department of Economic Affairs, Ministry of Finance has been appointed as part-time Director on the Board of SPMCIL w.e.f. 15.09.2014 in place of Shri P.K. Mishra.
- Pursuant to Article 13(3)(a) of Articles of Association of the Company, Smt. Uma Shankar, Principal Chief General Manager, Department of Currency Management, Reserve Bank of India has been appointed as part-time Director on the Board of SPMCIL w.e.f. 9th April, 2015 in place of Shri B.P. Vijayendra, Principal Chief General Manager, RBI.
- Pursuant to Article 13(3)(a) of Articles of Association of the Company, Shri M.A. Ganapathy, Joint Secretary (IS-I), Ministry of Home Affairs has been appointed as part-time Director on the Board of SPMCIL w.e.f. 9th June, 2015 in place of Shri Rajiv Gauba.

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.

No significant and material orders were passed by the regulators or courts or tribunals, which impact the going concern status of the Company and its operations in future.

STATUTORY AUDITORS

M/s. Batra Sapra & Co., Chartered Accountants, New Delhi were re-appointed as Statutory Auditors of your company for the financial year 2014-15 by the Comptroller and Auditor General of India (C&AG 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 2014-15. The Statutory Auditors have audited the annual accounts of the Company for the year ended 31st March, 2015.

AUDITORS' REPORT

The Auditors Report on the Annual Accounts of the Company for the financial year ended 31st March, 2015 is self-explanatory. The Management's Reply to the Auditors' Report and Supplementary Audit Report of the Comptroller & Auditor General of India under Section 139 of the Companies Act, 2013 are enclosed to the Directors' Report as **Annexure IV and V**.

COST AUDIT

The Cost Auditors were initially appointed to audit the cost accounting records in respect of security paper manufactured by SPM, Hoshangabad for the year 2014-15. However, the Ministry of Corporate Affairs had vide notification dated 30.06.2015 notified the Companies (Cost Records and Audit) Rules 2014 wherein the cost audit of security paper was not covered. Therefore, the Cost Auditors had not conducted the cost audit of security paper for the year 2014-15 as per Companies (Cost Records and Audit) Rules, 2014.



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, SPMCIL has engaged M/s. J.K. Gupta & Associates, Practicing Company Secretaries for conducting Secretarial Audit of the Company for the year 2014-15. The Secretarial Audit Report for the year 2014-15 confirms that the Company has complied with all the applicable provisions of the corporate laws, guidelines rules, etc. The report, duly certified by a practising Company Secretary and reply to their observations is attached at **Annexure-VI** to the Report.

Your Company being a Government Company, the selection and appointment of Directors, terms of appointment and the remuneration payable to Directors is decided by the Government of India as per the Government guidelines and not by the Board of Directors. In view thereof, the Company has not reconstituted its Remuneration Committee to include the terms provided under the Companies Act, 2013. The performance evaluation of the Directors is also carried out by the administrative Ministry (DEA, MoF), Government of India, as per applicable Government guidelines. The above is in line with the exemption provided to Government Companies by the Ministry of Corporate Affairs.

CODE OF CONDUCT

The Board of your Corporation 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.

RISK MANAGEMENT

The company has full-fledged Vigilance Setup, Internal Audit Setup, Intelligence Bureau personnel posted in presses, CISF & Security personnel posted in the Units to mitigate risks. Company has installed latest IP enabled CCTV Cameras to strengthen Security Setup. The 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.

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

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-VII** to this Report.



CORPORATE GOVERNANCE

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-VIII** 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 required under the provisions of the Companies Act, 2013, the extract of Annual Return for the financial year ended 31st March 2015 in the prescribed Form MGT-9 is attached at **Annexure-IX** to this report.

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 Accounts, all the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (b) That the directors had 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 2015 and of profit and loss account for the year ended 31st March 2015;
- (c) That the directors had 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 had prepared the Annual Accounts on a going concern basis; and
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board of Directors acknowledges with deep sense of appreciation the cooperation received from the Govt. 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 Banks. The Board of Directors acknowledge with thanks the constructive suggestions received from the Statutory Auditors and C&AG. The Board of Directors also place on record their sincere appreciation of the devotion and commitment of all employees of the Company

For and on behalf of the Board of Directors

Date: 8th December, 2015
Place: New Delhi


(M.S. Rana)
Chairman and Managing Director

SC/ST/OBC REPORT-I

Annual Statement showing the representation of SCs, STs and OBCs as on 1st January, 2015 and number of appointments made during the preceding calendar year.

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

Groups	Representation of SC/sSTs/ OBCs (As on 1.1.2015)				Number of Appointments made during the Calendar Year 2014									
					By Direct Recruitment				By Promotion			By Deputation/ Absorption		
	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 (E-1 to E-8)	347	52	17	63	55	7	4	15	0	0	0	3	1	0
GROUP B (S-1 and S-2)	1199	209	101	119	67	10	5	22	49	7	4	17	5	2
GROUP C (W-1 to W-6)	10325	2219	909	1039	273	45	16	132	1185	239	118	18	4	2
Grand Total	11871	2480	1027	1221	395	62	25	169	1234	246	122	38	10	4

SC/ST/OBC REPORT-II

Annual Statement showing the representation of SCs, STs and OBCs as on 1st January 2015 and number of appointments made during the preceding calendar year (Representation of P.W.D. for the period 01.01.2014 to 31.12.2014).

Groups	Representation (As on 1.1.2015)				Number of Appointments made during the Calendar Year 2014													
					Direct Recruitment						Other Method							
					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.	V.H.	H.H.	O.H.	O.H.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Group A (E-1 to E-8)	347	0	1	2	0	0	0	58	0	1	1	0	0	0	0	0	0	0
Group B (S-1 to S-2)	1199	1	1	24	1	0	3	69	1	0	1	0	0	0	33	0	0	0
Group C (W-1 to W-6)	10325	49	88	191	2	5	7	294	0	0	3	0	0	1	619	1	1	3
GRAND TOTAL	11871	50	90	217	3	5	10	421	1	1	5	0	0	1	652	1	1	3



ANNEXURE-II

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2014-15

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

SPMCIL intends to play a pivotal 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 at the company website www.spmcil.com.

2. The Composition of the CSR Committee

- (a) Dr. Manoranjan Dash, Director (HR), SPMCIL
- (b) Dr. Saurabh Garg, Joint Secretary (I&C), DEA, Ministry of Finance & Director, SPMCIL
- (c) Smt. Anula Kumar, DDG (Philately), Department of Posts & Director, SPMCIL

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

₹ 406.85 Crores

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

₹ 8.14 Crores

5. Details of CSR amounts spent during the financial year

(a) Total amount spent for the financial year : ₹ 8.24 Crores

(b) Amount unspent, if any : Nil

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

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)
1	Providing drinking water facility in 165 villages schools in 24 South Parganas District of WB.	Schedule VII (Item No.(i))	(1) Near IGM, Kolkata (2) West Bengal South 24 Parganas District	8,119,487	1] 8,119,487 2] NIL	8,119,487	through District Collector South 24 Parganas (W.B.)
2	Providing water facility in 10 villages of Hoshangabad.	Schedule VII (Item No.(i))	(1) Local Area (2) Madhya Pradesh Hoshangabad District	6,438,300	1] 2,970,000 2] 30,000	3,000,000	through Public Health Engineering Department Hoshangabad (MP)
3	Providing water facility in 7 villages of Dewas.	Schedule VII (Item No.(i))	(1) Local Area (2) Madhya Pradesh Dewas District	3,712,000	1] 3,712,000 2] NIL	3,712,000	through Public Health Engineering Department Dewas(MP)
4	Providing safe drinking water in 2 villages of West Godavari District of AP.	Schedule VII (Item No.(i))	(1) Nearer to IGM, Hyderabad (2) Andhra Pradesh West Godavari District	2,074,000	1] 1,990,315 2] NIL	1,990,315	through Naandi Foundation, Hyderabad
5	Providing solar lighting system in 19 villages of Hoshangabad.	Schedule VII (Item No.(iv))	(1) Local Area (2) Madhya Pradesh Hoshangabad District	3,990,640	1] 1,852,207 2] 129,656	1,981,863	through District Energy Officer Hoshangabad (MP)
6	Providing solar lighting system in 7 villages of Dewas.	Schedule VII (Item No.(iv))	(1) Local Area (2) Madhya Pradesh Dewas District	3,387,600	1] 3,166,000 2] 221,600	3,387,600	through District Energy Officer Dewas (MP)
7	CSR project regarding construction of girls and boys toilets in (3) three villages of Nashik.	Schedule VII (Item No.(ii))	(1) Local Area (2) Maharashtra Nashik District	3,000,000	1] 2,985,225 2] 14,775	3,000,000	through Zilla Parishad Nashik
8	CSR proposal for providing 1 No. R.O. Plant for purification of water to be used at Akshaya Patra Foundation Kitchen, Hyderabad.	Schedule VII (Item No.(i))	(1) Local Area (2) Telangana, Hyderabad District	1,500,000	1] 1,500,000 2] NIL	1,500,000	through Akshaya Patra Foundation Hyderabad
9	CSR project providing financial assistance for 1000 corrective surgery of polio and born disabled children through Narayan Sewa Sansthan Trust, Udaipur.	Schedule VII (Item No.(i))	(1) Other (2) Rajasthan, Udaipur District	3,400,000	1] 3,400,000 2] NIL	3,400,000	through Narayan Sewa Sansthan Udaipur

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
10	CSR project for helping the disabled person to regain mobility and dignity by providing artificial limbs, callipers, crutches, wheel chairs and hand-paddled tricycles through Bhagwan Mahaveer Viklang Sahayata Samiti, Jaipur.	Schedule VII (Item No.(i))	(1) Local Area (2) Madhya Pradesh Hoshangabad & Dewas District (3) Partly in Jaipur, Rajasthan	2,500,000	1] 2,423,205 2] 60,330	2,483,535	through Bhagwan Mahaveer Viklang Sahayata Samiti, Jaipur
11	Financial assistance to children rendered destitute or orphan in any communal, caste, ethnic or terrorist violence.	Schedule VII (Item No.(vi))	Others	1,000,000	1] 1,000,000 2] NIL	1,000,000	through National Foundation for Communal Harmony
12	Providing school bus for transportation of children and setting up of a diagnostic lab in the school through Ashray Akruiti, Hyderabad.	Schedule VII (Item No.(ii))	(1) Local Area (2) Telangana, Hyderabad District	3,284,490	1] 3,284,490 2] NIL	3,284,490	through Ashray Akruiti Hyderabad
13	Providing of benches, tables, almirah and digging of bore well in Government Primary School, Chinna Cherlapally, Hyderabad.	Schedule VII (Item No.(ii))	(1) Local Area (2) Telangana, RR District	233,600	1] 233,600 2] NIL	233,600	through Government Primary School Chinna Cherlapally RR District Hyderabad
14	Skill Entrepreneurship Development Programme for Economically Weaker Section/SC/BPL persons in the state of Punjab through NITCON, Chandigarh.	Schedule VII (Item No.(ii))	(1) Others (2) Punjab, Hoshiarpur District	1,939,050	1] 1,939,050 2] NIL	1,939,050	through NITCON Chandigarh
15	Providing one blood donation van to Bombay Red Cross Society.	Schedule VII (Item No.(i))	(1) Near IGM, Mumbai (2) Maharashtra Raigad District	2,186,040	1] 1,813,113 2] NIL	1,813,113	through Indian Red Cross Society Mumbai
16	Plantation of Trees at Narmada River Ghat at Hoshangabad.	Schedule VII (Item No.(iv))	(1) Local Area (2) Madhya Pradesh Hoshangabad District	11,900,000	1] 1,629,857 2] NIL	9,944,302 (during the last three years)	through Municipal Committee and Forest Department, Hoshangabad
17	Contribution towards Swachh Bharat Kosh.	Schedule VII (Item No.(viii))	(1) Others	20,000,000	1] 20,000,000 2] NIL	20,000,000	Contribution to Swachh Bharat Kosh
18	Contribution towards Clean Ganga Fund.	Schedule VII (Item No.(viii))	(1) Others	17,500,000	1] 17,500,000 2] NIL	17,500,000	Contribution to Clean Ganga Fund



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
19	Providing Solar LED system at Mint and residential colony at IGM, Mumbai.	Schedule VII (Item No.(iv)	(1) Local Area (2) Maharashtra, Mumbai	845,400	1] 845,400 2] NIL	845,400	Spent directly
20	To develop green belt in Mint premises to improve the environment at IGM, Mumbai.	Schedule VII (Item No.(iv)	(1) Local Area (2) Maharashtra, Mumbai	788,008	1] 788,008 2] NIL	788,008	Spent directly
21	Study and development of Sewage treatment plant through NEERI Nagpur.	Schedule VII (Item No.(iv)	(1) Local Area (2) Madhya Pradesh, Hoshangabad District	337,080	1] 337,080 2] NIL	1,744,080	Through National Environmental Engineering Research Institute, Nagpur
22	Expenses towards Evaluation charges paid to IIM, Lucknow being an independent third party.	—	—	439,065	439,065	—	—
		Total Expenditure			82,384,463		

6. In case the company has failed to spend the two percent 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.

The Company spent the whole amount, which was allocated for the year 2014-15.

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.

(Chairman and Managing Director)

(Chairman - CSR & SD Committee)



ANNEXURE-III

REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, R&D AND FOREIGN EXCHANGE EARNINGS 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 2014-15 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.
- Security Printing Press, Hyderabad a unit of your company had done feasibility study of Solar Power plant installation of 130kWp capacity for generation of 2,00,000 kWh per annum as unit have 1300 Sq. mtrs (approx.) shadow free roof top space.

B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

The major efforts made towards technology absorption, adaptation and innovation are as follows:

- a) Setting-up of new state of art Bank Note Paper Line at Security Paper Mill, Hoshangabad including stock preparation plant.
- b) Joint Venture in the name of Bank Note Paper Mill India Pvt. Ltd. for production of Bank Note Paper with state at art technology by in-house developed technology at Bangalore/ Mysore.
- d) Indigenous production of Quick Set Intaglio (QSI) Inks.

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 have resulted in indigenisation, capacity enhancement and bringing increased operational efficiency, cost savings synergy in the operations and also import substitution of critical raw materials.

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 | : Bank Note Paper Line,
Minting Machinery |
| (b) Year of import | : 2010-11 to 2014-15 |
| (c) Has technology been fully absorbed? | : Yes |

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 is setting-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 in saving in Foreign Exchange and increase in local manufacturing of raw materials.

3. Future plan of action

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

4. Expenditure on R & D as a percentage of total turnovers

During the financial year 2014-15, the Company has incurred the following expenditure towards Research & Development:

Sl. No.	Particulars	Amount in ₹
01	Capital Expenditure	23.73
02	Revenue Expenditure	74.24
	Total	97.97

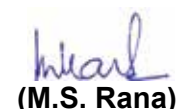
D) FOREIGN EXCHANGE EARNING AND OUTGO

Sl. No.	Foreign Exchange Earnings/Outgo	2014-15 (₹ in Crore)	2013-14 (₹ in Crore)
1.	Foreign Exchange Earnings	22.84	2.26
2.	Expenditure on Payment basis incurred on Foreign Travel, Material Supply, Capital Goods and Spares & Stores	0.22	0.07
3.	Value of imports based on CIF basis (on Accrual basis)	1104.39	876.16

For and on behalf of the Board of Directors

Date: 8th December, 2015

Place: New Delhi



(M.S. Rana)

Chairman and Managing Director



ANNEXURE-IV

MANAGEMENT REPLIES TO AUDITOR'S REPORT

The Statutory auditors have given the Audit Report for Financial year 2014-15 and as per the report the following salient points emerged:-

1. All the information and explanations which to the best of Auditors' knowledge and belief were necessary for the purpose of audit were sought and obtained. The proper books of accounts as required by law have been kept by company so far as appears from examination of those books and audited financial Statements received from branches. The Financial Statements subject to the impact of the qualified opinions given below give the information required by the Act in the manner so required and gives a true and fair view and are in conformity with the accounting principles generally accepted in India.
2. The company has disclosed the impact of pending litigations on its financial position in its financial statements
3. The Para-wise comments on the Audit Report are as follows:

Para 1

Auditor Observation : Value of inventories of finished goods and Work-in-Progress includes 226.48 million pieces of Bank notes amounting to ₹36.69 crores for which RBI has deferred the acceptance of these notes, which is included in closing stock.

Management Reply : The deferment of acceptance of notes bearing signature of Dr. D. Subbarao, former Governor, RBI in the bank notes series of 2014 by RBI is only temporary in nature and there is no denial by RBI to accept these notes and as per legal opinion obtained by RBI all such bank notes continue to be legal tender and final decision is to be taken by Govt. of India in this regard. The appropriate accounting treatment shall be made as per decision of Govt. of India.

Para 2

Auditor Observation : The revenue on account of sale of bank notes for the financial year 2014-15 have been accounted for at MoU rate of the year 2014-15 approved by Ministry of Finance which are yet to be accepted by RBI.

Management Reply : The fair price of bank notes for financial year 2014-15 to be worked out by the Institute of Cost Accountants of India (ICAI) based on cost plus return on capital employed is yet to be finalised by them. In the absence of the same revenue recognition has been done at MoU Rate of the year 2014-15 duly accepted by Ministry of Finance which is the most reliable price at the time of finalisation of account. The difference, if any, between fair prices of bank notes yet to be finalised by ICAI & approved by Ministry of Finance and provisional rate based on MoU price 2014-15 will be accounted for in the year of finalisation of price.

Para 3

Auditor Observation : As on date of takeover vide Ministry of Finance, office Memorandum dated 10th February 2006, the Gross block and accumulated depreciation of fixed assets have been shown at historical cost of purchases instead of actual cost to the company.

Management Reply : As per the Ministry of Finance OM dated 10th February, 2006 all assets and liabilities have been taken over by SPMCIL at the book value. Being a commercial entity, the units have been maintaining the assets register based on which the gross block and the life of the asset was fixed accordingly. Therefore, the assets have been taken in the books of company at net block (gross block less depreciation). However, for purpose of the depreciation the value is being shown at gross block so that same technical life could be continued. This will facilitate easy calculation of depreciation without re-ascertaining the life of the asset. However during current year company envisages to align its accounting for fixed assets and depreciation in accordance with AS-6 & AS-10 by re-assessing useful life of all its fixed assets under Schedule-II of Companies Act, 2013.

Para 4

Auditor Observation : Non provision of VAT/CST/Sales tax liabilities of ₹405.31 crores resulting in overstatement of profit by ₹20.87 crores and understatement of liabilities by ₹405.31 crores.

Management Reply : The Company has not made any provision for sale tax under Maharashtra and Central Sales Tax Act for its units located at Maharashtra due to sovereign nature of business being undertaken by the company and due to pendency of its request for exemption from sales tax with Ministry of Finance

Para 5

Auditor Observation : At SPM, Hoshangabad, manual entries was made to reconcile the difference various modules of ERP during initial stabilisation stage and accordingly ₹4.33 crores has been adjusted to consumption accounts. Further, the costing and production planning module were not functional throughout the year. Moreover, internal control at ISP, Nashik needs to improved further in the area of invoicing to CSD Deptt.. In few cases invoices were raised wrongly and cancelled subsequently without obtaining prior approval of competent Authority. It is also observed that few invoices including express post parcel charges were made and posted manually due to technical problem in system.

Management Reply : During the year 2014-15, the ERP implementation was under stabilization stage and therefore there were few reconciliations made between few modules of SAP with Financial data, however the costing and production planning modules have now been streamlined and made operational. Internal control at ISP, Nashik has also got improved in the area of invoicing to CSD Deptt. Now all invoices are being made through ERP system.

Para 6

Auditor Observation : Balances appearing under the head sundry creditors, Sundry Debtors, Loans and advances, deposits other receivables and other payables are subject to confirmation.

Management Reply : The company has sent Balance confirmation letters to all parties falling under heads Sundry debtors, Sundry creditors, Loans & advances, other receivables and other payables, however confirmation letters from customers have been received only in few cases.



Para 7(a)

Auditor Observation : Title deed in respect of land in sector 23 and 4 flats at sector-27 at Noida(U.P.) is not produced for verification Immovable assets in the possession of the company have not been transferred in the name of the company.

Management Reply : The land at sector 23 & 27 held by IGM, Noida are taken on long term lease and hence the same has not been transferred in the name of the Corporation. Immovable assets of the company have not yet transferred in the name of the company due to delay in finalization of matter pertaining to stamp duty and capital structure by Ministry of Finance which has now finalized by Ministry of Finance and as per directive of Govt. vide letter dated 09.02.2015 the process for transfer of assets in the name of the company has been initiated.

Para 7(b)

Auditor Observation : All the assets lying in the books of accounts are not insured except vehicles.

Management Reply : The Company is inviting tender to get a comprehensive insurance policy to cover all inventories and fixed assets and adequate insurance cover to cover all these assets will be taken by company very soon.

Annexure to the Auditor's Report

Para I

Auditor Observation : Company has carried out physical verification of fixed assets except the Saifabad and Hoshangabad unit. However in case of BNP, Dewas report on physical verification has not been accepted by the Management.

Management Reply : During the year physical verification of fixed assets was done at all units except at Saifabad unit of IGM, Hyderabad as unit is closed and there is no operation in the unit since last 10 years and in respect of unit at Dewas (M.P.) the Management is evaluating the findings of physical verification held in FY 2014-15 and necessary adjustment, if any will be made in books of accounts in year 2015-16. Physical verification of fixed assets at SPM, Hoshangabad could not be done due to ongoing expansion paper project however the same will be done in FY 2015-16.

Para II

Auditor Observation : As explained to us, the physical verification of the inventory has been conducted by the management at all units except SPM, Hoshangabad during the year. In case of IGM, Mumbai, frequency of verification is adequate and reasonable, except for inventory of Gold laying with RBI. In case of IGM, Kolkata the discrepancies out of physical verification of Commemorative coins and medals as compared to book records have not been ascertained.

Management Reply : The Company is strengthening the procedure of physical verification of inventories so as to cover inventories of commemorative coins & medals and also to include inventories of Security Paper Mill, Hoshangabad which is currently under expansion for implementation.

Para IV

Auditor Observation : In case of IGM, Kolkata the internal control system needs to be strengthened regarding commemorative coins and medals considering the size and nature of company.

Management Reply : The Company is strengthening its internal control system in respect of IGM, Kolkata for commemorative coins and medals.

Para VI

Auditor Observation : Cost records have been made and maintained except in case of SPP, Hyderabad and in case of ISP, Nashik records were incomplete.

Management Reply : The cost records of both units were also updated subsequent to completion of statutory audit for financial year 2014-15 and costing of products for financial year 2014-15 is being worked out.

For and on behalf of the Board of Directors

Date: 8th December, 2015

Place: New Delhi



(M.S. Rana)

Chairman and Managing Director



ANNEXURE-V

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 FINANCIAL STATEMENTS OF SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2015

CAG Comments	Management's Reply
<p>The preparation of financial statements of Security Printing and Minting Corporation of India Limited for the year ended 31 March 2015 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 21 September 2015.</p> <p>I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Security Printing and Minting Corporation of India Limited for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, 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:-</p>	<p>—</p>



CAG Comments	Management's Reply
<p>A. Comments on Profitability</p> <p>A1. Balance Sheet</p> <p>Current Assets</p> <p>Inventories (Note 17) ₹1453.85 crore</p> <p>The above includes ₹36.69 crore to towards 226.48 million pieces of bank notes printed with the year of printing 2014 bearing the signature of the Governor who had completed his tenure in September 2013. As Reserve bank of India (RBI) did not lift these notes in view of prevailing RBI instructions for the printing of Bank Notes, provision for entire value of stock should have been made.</p> <p>Non-provision has resulted in overstatement of inventories and understatement of loss for the year by ₹36.69 crore.</p>	<p>The deferment of acceptance of notes bearing signature of Dr. D. Subbarao, Ex-RBI Governor, in the Bank Notes series of 2014 by RBI is only temporary in nature and there is no denial by RBI to accept these notes.</p> <p>The matter has been deliberated in various Board meetings of the Company and in the recent 65th Board meeting of the Company held on 24.06.2015, Smt. Uma Shankar, Principal Chief General manager, RBI being the representative of RBI on the Board of the Company clearly mentioned that as per legal opinion obtained by RBI, all such bank notes continue to be legal tender until the Central Govt. declares that such notes shall cease to be legal tender. Dr. Saurabh Garg, JS (I&C), DEA, Ministry of Finance being the Govt. representative on the Board of the Company had informed in the above Board meeting that subject matter is under correspondence with RBI and is expected to be resolved shortly.</p> <p>RBI has vide letter dated 05.10.2015 forwarded the Standard Operating Procedure (SOP) for incorporation of Governor's signatures on banknotes on change in incumbency. As per para 6 of the annexure attached to the SOP, "In case the production plates with new Governor's signature are not ready at the end of the calendar year, the presses may continue printing with the old Governor's signature while changing to New Year, under intimation to DCM, BRBNMPL/SPMCIL HOs". This SOP is in line with the already stated position of RBI that the banknotes printed with the year as 2014 and signature of the Ex-Governor, RBI, Dr. Subbarao are legal tenders as the production of banknotes is manufacturing process and introduction of new RBI Governor's signature can be done only after the printing plates are supplied by BRBNMPL.</p> <p>In view of the above, presumption of the audit about loss of ₹36.69 crore is not valid and there is no loss caused to Company due to printing of Bank Notes with signature of Ex-RBI Governor.</p>



CAG Comments	Management's Reply
<p>A2. Statement of Profit and Loss Revenue from Operations (Note 22) Sale of Coins ₹2012.33 crore</p> <p>The above is overstated by ₹199.65 crore due to recognition of revenue from the sale of coins for 2014-15 on the basis of rates finalised by Cost Accounting Branch for the year 2012-13 instead of selling rates adopted in Memorandum of Understanding for 2014-15.</p> <p>This has also resulted in understatement of loss for the year by ₹199.65 crore.</p>	<p>The Company has recognized its revenue from sale of coins on the basis of fair prices of coins worked out by Chief Advisor Cost (CAC), Dept. of Expenditure, Ministry of Finance for the financial year 2012-13 as per the direction of DEA, MoF vide their letter dated 23.03.2015 which provide interalia that currently the CAC rates are available only upto 2012-13 and therefore, fair price of coins worked out by CAC for financial year 2012-13 may be adopted provisionally for the year 2014-15.</p> <p>The same has been appropriately disclosed by way of Note 61 to audited annual accounts for financial year 2014-15. The same note also mentioned that the difference if any between rates of coins accounted for in financial year 2014-15 and rates to be finalised by CAC based on cost plus return on capital employed which is yet to be approved by MoF will be accounted for in the year of approval of Ministry of Finance.</p> <p>In view of the above the audit contention that there is understatement of loss for the year by ₹199.65 crores is not valid.</p>

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

Sd/-
(Vimalendra Patwardhan)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board-II, New Delhi

Place: New Delhi
Date: 14.10.2015

*For and on behalf of Board of Directors
of SPMCIL*

Sd/-
(M.S. Rana)
Chairman and Managing Director

Place: New Delhi
Date: 08.12.2015

M/s. J.K. Gupta & Associates

(Company Secretaries)

256 & 257, Vardhman City Center 2,
Near Shakti Nagar Railway Under Bridge,
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SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH 2015

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

The Members,

Security Printing and Minting Corporation of India Limited

16th Floor, JawaharVyaparBhawan,

Janpath, New Delhi-110 001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Security Printing and Minting Corporation of India Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Security Printing and Minting Corporation of India Limited ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) **The Companies Act, 2013 (the Act) and the rules made thereunder;**
- (ii) **Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.**



(iii) OTHER APPLICABLE ACTS:

- (a) Payment of Wages Act, 1936, and rules made thereunder,
- (b) Employees' State Insurance Act, 1948, and rules made thereunder,
- (c) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
- (d) Payment of Gratuity Act, 1972, and rules made thereunder,
- (e) The Contract Labour (Regulation & Abolition) Act, 1970,
- (f) The Factories Act, 1948
- (g) Maternity Benefit Act, 1961
- (h) Employees Compensation Act.

We have also examined compliance with the applicable clauses / guidelines of the following:

(i) DPE guidelines

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

- 1. As required under the provisions of the Companies Act, 2013, there is no Independent Director appointed on the Board of the Company and its Sub-Committee.**

We further report that

The Board of Directors of the Company is not duly constituted as company has not appointed 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 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.

Note: This report is to be read with our letter of even date which is annexed as '**ANNEXURE-A**' and forms an integral part of this report.

For J.K. Gupta and Associates

Sd/-

Place: Delhi

(JITESH GUPTA)

Date: 23.11.2015

FCS No. 3978

CP No. 2448

‘ANNEXURE- A’

To,

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

Our report 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 relied on the Internal Auditors Report for Corporate Office and all units of the Company for the period under review; hence we have verified the correctness and appropriateness of Statutory/Legal Compliances on sample basis. The qualifications / Observations mentioned in their Audit report also forming part of this report
4. We have relied on the Statutory Auditors Report of M/s Batra Sapra & Co. (Chartered Accountants) for the period under review; hence we have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. The qualifications / Observations mentioned in their Audit report also forming part of this report.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. 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.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For J.K. Gupta and Associates

Place: Delhi
Date: 23.11.2015

Sd/-
(JITESH GUPTA)
FCS No. 3978
CP No. 2448



REPLY TO THE OBSERVATIONS OF SECRETARIAL AUDITORS

Sl.No.	Auditor's Observations	Company's Reply
01.	As required under the provisions of the Companies Act, 2013, there is no Independent Director appointed on the Board of the Company and its Sub-Committee.	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. The issue relating to the appointment of the required number of Independent Directors on the Board of the Company has been referred to Ministry of Finance, the Administrative Ministry, and the appointment is in process.

For and on behalf of the Board of Directors

Date: 8th December, 2015
Place: New Delhi


(M.S. Rana)
Chairman and Managing Director



ANNEXURE-VII

MANAGEMENT DISCUSSION AND ANALYSIS

HISTORY

Security Printing and Minting Corporation of India Limited (SPMCIL) is a Miniratna Category-I Central Public Sector Enterprise wholly owned by Government of India. SPMCIL is engaged in the manufacturing / production of Bank Notes, Security Paper, 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, Circulation & Commemorative Coins, Medallions, Refining of Gold, Silver and Assay of Precious Metals, etc. The Company has nine units, i.e. two Security Presses at Nashik and Hyderabad, two Currency Presses at Dewas and Nashik, four Mints at Mumbai, Kolkata, Hyderabad and Noida and one Security Paper Mill at Hoshangabad. All the nine units headed by General Managers are industrial organizations and are regulated in accordance with the labour laws and directions of Government of India issued from time to time.

GLOBAL ECONOMIC CONDITION

During the period under review, the international landscape was marked by many critical political, geo-political, business, policy and diplomatic developments and these affected the performance of the global economy considerably. The Ukraine-Russia stand-off, followed by sanctions on Russia; ISIS crisis in Iraq; tensions in many other MENA countries; progress on Iran's nuclear deal with global powers; escalation of Greece debt crisis and its implications on the future of Euro Area; OPEC's decision to abandon price targeting; phasing out and ending of US Federal Reserve's Quantitative Easing(QE); expansion of Bank of Japan's QE programme and beginning of QE by the European Central Bank were some of the major developments.

Within the emerging markets & developing economies group, growth slowed down in most of the emerging markets, India being an exception. The slowdown in China's growth being witnessed since the last quarter of 2013, furthered and during the year Chinese GDP growth slipped to 7.4 per cent, the lowest since 1991. This was mainly on account of a slowdown in investment, particularly in the real estate sector. This had a sobering effect on the overall global growth.

During the year, there was a moderation in commodity prices, a continuation of the fall in prices being witnessed since 2012. In many emerging economies, central banks went in for rate cuts as inflationary pressures eased.

OVERVIEW OF THE INDIAN ECONOMY

The year began with the coming in of a new Government at the Centre, after a decisive electoral mandate. Along with this came in a new reforms agenda and major thrust on infrastructure development. The year witnessed a rise in the confidence of the international investors in the Indian growth story. Indian stock markets touched new highs and rating agencies upgraded the Indian economy. The Government introduced several policy initiatives as well, 'Make in India' being one such, to transform India into a manufacturing hub. The year was marked by the return of growth and macroeconomic stability in the economy.



During the year, GDP growth accelerated to 7.3 per cent from 6.9 per cent and agricultural growth declined to a mere 0.2 per cent from 3.7 per cent recorded in the previous fiscal.

INDUSTRY OVERVIEW

SPMCIL is in niche segment of economy and caters to the security printing and minting requirements of Government of India. The customers of the Company include Reserve Bank of India for Currency Notes, Department of Economic Affairs, Ministry of Finance for coins, Ministry of External Affairs for Passports, Ministry of Home Affairs for Visa stickers, Department of Posts for Postal Stationary, State Governments for Non-Judicial Stamp Papers, other CPSEs and autonomous bodies, etc.

SPMCIL, a wholly owned CPSE is primarily dealing with the sovereign functions. The indent forecasts for the Coins and Currency are made by RBI and approved by Ministry of Finance in production planning meeting before SPMCIL takes up production. For passports the indent are placed by MEA which have been varying year to year. For Non-judicial stamp papers indents are placed by the various State Governments. These indents also vary from year to year. For postal stationery and postage stamps the indents are placed by Postal Department. These also vary from year to year. SPMCIL's capacity is in the form of committed capacity for the use of its Govt. customers.

SWOT ANALYSIS

Strength

- SPMCIL has capability to successfully undertake orders related to production of security products.
- The Company has expertise in printing of Banknotes, minting of Coins, production of CWBN Paper, Ink and printing of all types of security documents.
- Formed a Joint Venture Company for setting up 12000 MT capacity Bank Note Paper Mill.
- All mints under CISF/State Police projection.
- Has completed Phase-I modernisation of Mints.
- In-house Ink Factory for SPMCIL's requirement.
- All the units of the Company are ISO 9001 and ISO 14001 certified.
- SPMCIL is sole provider of circulating and commemorative coins, NJSP, Postal Stationary, Passport & Travel documents, etc.

Weaknesses

- Legacy issues of corporatisation.
- High Manpower Cost & Large Unskilled Manpower.
- Old Machinery & Inefficient layouts at some Units due to historical legacy.
- Job security as commitments given to employees as part of the Memorandum of Settlement.
- High Cost of Working Capital due to Govt. Debtors.
- Abnormal delay in Security clearances affecting adversely meeting the targets.
- No flexibility to regulate supplies to defaulting customers.

Opportunities

- Export potential for coins and currency particularly in SAARC region.
- Increased potential in bullion products / commemorative coins and other diversified security products.
- Diversification in customers in the form of increased requirement of various Ministries, PSUs and Independent bodies for security products.

Threats

- Committed capacity for committed customers.
- High inventory due to lifting of finished products by customers as per their convenience.
- High Security Costs due to deployment of CISF in all Units.
- Increased competition from other players in retail bullion items.

FUTURE OUTLOOK

RBI in its indent of September/October 2012 has more than doubled the indent of Coins for five years. Similarly, RBI has raised more than 50% the indent of Bank Notes for next five years. MEA has increased the indents for passports for 2015-16 to 2.00 crores (approx.). The above increased demands need substantial investments by SPMCIL in coming 3-4 years. SPMCIL is geared to meet the increased indents of Coins, Bank Notes, Passport etc.

RISKS AND CONCERNS

SPMCIL sells its products mostly to Government of India, State Governments, other Governmental Authorities and Public Sector Undertakings. As far as core business of the Company is concerned, RBI's subsidiary, M/s. BRBNMPL has spare capacity for printing of banknotes thus creating a business risk. The other areas of concern are local inferences like strikes/bandhs, contractor's reluctance to fulfil statutory obligations and risk of abnormal increase in cost of metals and other inputs, which may adversely affect revenue of SPMCIL. In order to mitigate these risks, cordial relations with local project staff/ unions and local administration are being developed and maintained.

To strengthen security surveillance latest state of the art security system has been installed in units. The Company has Central Industrial Securities Force (CISF) and State Para-Military forces deployed to take care of the security of the units. CISF is being deployed gradually in all the units as per the directions of MHA and DEA. Intelligence Bureau (IB) officials are posted in the Security Presses and Security Paper Mill.

The 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.



INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The 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. To make the internal control more effective and project specific, comprehensive internal audit manuals and accounting manuals are being updated continuously. 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 has adopted the new Procurement Manual w.e.f. June, 2011 to enhance transparency in the operations of the Company. ERP has been operationalised 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 all major activities.
- A well-established internal audit team reviews and reports to management and Audit Committee and corrective measures are taken in time for continuous improvement.

DISCUSSION ON FINANCIAL PERFORMANCE

Revenue from Operations of the company increased by 15.70% to ₹ 4509.45 crores during financial year 2014-15 from ₹3897.53 crores in financial year 2013-14. Other incomes of the Company decreased by about 19.41% to ₹108.14 crore during financial year 2014-15 from ₹134.18 crores in financial year 2013-14 primarily due to reduction in interest rates on deposits with the banks.

Despite increase in physical sale and total revenue the company has reported a net loss of ₹352.07 crores in the year 2014-15 as compared to a net profit of ₹214.63 crores in the year 2013-14 on account of price adjustment of coins from the year 2008-09 to 2012-13 aggregating to ₹1090.58 crores and price adjustment of postal items from the year 2006-07 to 2013-14 aggregating to ₹71.45 crores. The net impact of rate adjustment is ₹709.63 crores after writing back the rate difference provision pertaining to coins and postal items for ₹455.94 crores created in the earlier years. Further, the amount of depreciation has also increased in the year 2014-15 to ₹153.27 crores from ₹118.07 crores in the last year due to revision in depreciation rate consequent to reduction in useful life of assets as per Schedule II of Companies Act, 2013. In view of loss suffered by the Company, the Board of Directors of your Company has not proposed any dividend for the year 2014-15.

HUMAN RESOURCE DEVELOPMENT

It is the Human Resource which is an invaluable asset during the phase of transition in your Company and various measures are being taken for welfare of the Employees including

Socialization programmes, Community activities, Cultural functions, Games and Sports which are slowly getting momentum in the corporate life.

During the year 2014-15, the manpower plan of Company was aligned with business deliverables which was predominantly printing of Bank Notes and minting of circulating Coins of various denominations as per the indent commitment to Reserve Bank of India. In comparison to the preceding year, i.e. 2013-14, the Employees strength has come down from 12257 to 11784 as on 31.03.2015 due to natural attrition of manpower on account of superannuation.

ENVIRONMENT PROTECTION AND CONSERVATION

Environment Protection and conservation has commanded due attention as a result environment management system has been developed as integral part of Company's activities. The specific steps taken at the various work sites in compliance with such procedural requirements covers:

- 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.

The Company has continued its efforts to conserve the energy to highest possible level. The Company has formulated a long-term vision for embracing new technologies covering use of renewable form of energy. The Company is also developing the concept of environment friendly green building in all its upcoming projects.

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

The Company has been discharging its social responsibility by participating in various social welfare schemes. In order to provide a complete framework and platform for greater participation and to align it to DPE guidelines and other International standards such as United Nations Global Compact Principle, the Corporate Social Responsibility policy and plans have been framed and designed.

SPMCIL has been taking up projects as per the CSR Policy approved in the areas of education, health, drinking water, cleanliness and sanitation, water conservations, rain water harvesting, etc. CSR has been ingrained in the day to day operations of the Company.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis Report describing the company's objectives, projections and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those express or implied. Important developments that could affect Company's operations include significant changes in economic environment in India, exchange rate fluctuations, tax laws, litigations and labour relations.



ANNEXURE-VIII

REPORT ON CORPORATE GOVERNANCE

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance refers to the application of best management practices, compliances of law in letter & spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.

SPMCIL believes that good Corporate Governance practices ensure ethical and efficient conduct of the affairs of the Company and also help in maximizing value for its stakeholders like, employees, shareholders, customers and society at large in order to build an environment of trust and confidence among all the constituents. The Company endeavours to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning which are very important to achieve its objectives.

SPMCIL recognizes that good Corporate Governance is a continuous exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders. Keeping in view the philosophy, the Corporate Governance at SPMCIL is based on following main key principles & practices:

- Proper composition of Board of Directors, size, varied experience and commitment to discharge their responsibilities.
- Adherence & compliances of laws, rules, regulations.
- Timely and balanced disclosure of all material information on functional and financial matters to stakeholders.
- Well developed internal control systems and processes, risk management & financial reporting.
- To enhance accuracy and transparency in business operation, performance & risk management.

2. BOARD OF DIRECTORS

Composition of Board: As per the provisions of Articles of Association of SPMCIL as amended by the Shareholders in their Extra Ordinary Generaly Meeting held on 24.06.2015, the Board consists of twelve Directors of whom four are Functional Directors including Chairman and Managing Director, three are Govt. Nominee Directors including two from Ministry of Finance and one from Ministry of Home Affairs, three are End-User representative Directors each from Reserve Bank of India, Ministry of External Affairs and Department of Post and also two Independent Directors including one Woman Director as per section 149 of the Companies Act, 2013. According to the Ministry of Finance, in accordance with the Cabinet approval in case of SPMCIL due to security sensitive nature of the organisation a decision was taken to nominate directors from the user departments (RBI, Deptt. of Post and Ministry of External Affairs) who may be considered as Independent Directors and Government Directors have been nominated from other Government Departments i.e. Home Affairs and Ministry of Finance. The power to appoint Directors vests with the President of India.

Category, attendance at Board Meeting, AGM & number of other Boards or Board Committees in which directors hold position as a member or chairperson during the year 2014-15 are as under:-

Name	Meeting held during respective tenures of Directors	No. of Board Meetings attended	Attendance at the last AGM (held on 11.11.2014)	No. of other directorship held as on 31.03.2015
(a) Functional Directors				
Shri M. S. Rana Chairman & Managing Director DIN – 01174242	5	5	Yes	1
Shri P.N. Radkar Director (Technical) DIN – 03261212	5	5	Yes	1
Dr. Manoranjan Dash Director (HR) DIN – 02071641	5	5	Yes	1
(b) Govt. Nominees				
Shri H. Pradeep Rao Joint Secretary & FA, Ministry of Finance, DIN – 03042828	5	5	Yes	2
Shri P.K. Mishra* Joint Secretary (DoC), Dept. of Economic Affairs, Ministry of Finance DIN – 06515815	2	2	N.A.	N.A.
Dr. Saurabh Garg** Joint Secretary (I&C), Dept. of Economic Affairs, Ministry of Finance DIN – 02603725	3	3	Yes	2
Shri Rajiv Gauba# Joint Secretary (LWE), Ministry of Home Affairs, DIN – 06413989	2	1	N.A.	NIL
(c) Independent Directors				
Shri Muktesh K. Pardeshi Joint Secretary (PSP) & CPO, Ministry of External Affairs, DIN – 03366751	5	4	Yes	NIL
Shri B.P. Vijayendra, Principal Chief General Manager, Deptt. of Currency Management, Reserve Bank of India DIN – 06630811	5	4	Yes	1



Name	Meeting held during respective tenures of Directors	No. of Board Meetings attended	Attendance at the last AGM (held on 11.11.2014)	No. of other directorship held as on 31.03.2015
Smt. Anula Kumar DDG (Philately), Department of Posts, DIN – 06862034	5	3	No	NIL

* *Shri P.K. Mishra has vacated the office on 24.08.2014.*

** *Dr. Saurabh Garg has been appointed in place of Shri P.K. Mishra w.e.f. 15.09.2014.*

Shri Rajiv Gauba has been appointed in place of Shri K. Skandan w.e.f. 16.10.2014.

Number of Board Meetings & Dates: The Board of Directors met five (5) times during the year 2014-15 (27.06.2014, 01.08.2014, 11.11.2014, 12.12.2014, & 04.03.2015) and all the information as required to be placed as per the DPE Guidelines was placed before the Board.

Appointment / Re-appointment in the Board: During the year 2014-15, Shri P.K. Mishra (Govt. Nominee) vacated the office of Director of SPMCIL w.e.f. 24.08.2014 on relinquishment of charge of Joint Secretary (DoC), DEA, MoF. Dr. Saurabh Garg (I&C), DEA, MoF joined the Board of SPMCIL in place of Shri P.K. Mishra w.e.f. 15.09.2014. Shri Rajiv Gauba, Additional Secretary (LWE) joined the Board of SPMCIL in place of Shri K. Skandan w.e.f. 16.10.2014.

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

- **Shri M. S. Rana, Chairman & Managing Director**

Shri Rana aged 56 years is a graduate in Civil Engineering from Thapar Institute of Engineering and Technology, Patiala, being overall topper and gold medallist. He has also been awarded the Chancellor's Medal of Excellence for the best student of the University. Shri Rana has also done Post graduation in Project Planning and Management from the University of Bradford, UK in 1999-2000 with scholarship from the World Bank. Shri Rana has been awarded the outstanding Alumni award by Thapar Institute of Engineering and Technology Patiala in 2006.

Shri Rana has worked in Engineers India Ltd. from July 1981 to March 1984. Thereafter, he served in Indian Railways in various capacities from Asstt. Engineer to Chief Engineer (SAG) for 21 years. He has completed a number of mega projects on Indian Railways. From August 2005 to March 2009, Shri Rana worked as Director/Works, Konkan Railway, wherein he was instrumental in carrying out geo safety works in tunnels & cuttings for safe train operations. He was also in charge of J&K Rail Project. Shri Rana took over as CMD, SPMCIL in March 2009. Shri Rana is also Chairman of the Bank Note Paper Mill India Pvt. Ltd. (BNPMIPL). Shri Rana has published a number of articles on infrastructure.

- **Dr. Manoranjan Dash, Director (HR)**

Dr. Dash has a Master's degree in Labour Welfare from Utkal University and Ph.D. in Manpower Policy and Practices in Petroleum Industry of India. He was deputed by Department of Public Enterprises, Government of India and VSNL for one year Executive MBA in Europe conducted

by International Centre for Public Enterprises (ICPE) located in Ljubljana (Slovenia). Prior to joining in the Board of SPMCIL, Dr. Dash was the Executive Director (HR) for 15 months in HMT Limited, Bangalore. He was the Senior General Manager (HR) in Videsh Sanchar Nigam Limited (VSNL) Corporate Office, Mumbai prior to strategic disinvestment of the Telecom giant which was a Navratna PSU. Dr. Dash has worked in VSNL for more than a decade including one and half years with Tata Group owned VSNL. He was also teaching as a Professor in ICFAI Business School, Mumbai and had immensely contributed towards the human resource aspect of business to multifarious industries as a HR Professional. Started his career nearly 35 years back as a Labour Administrator in the Ministry of Labour, Government of India and was holding important positions in Delhi & Mumbai as Assistant Commissioner, he also served as a regular Faculty Member of V.V.Giri National Labour Institute in Delhi. Industrial Relations in Indian States with specific coverage of Maharashtra State published by Global Business Press is one of the important publications of Dr. Dash. Dr. Dash is a Director on the Board of BNPMIPL, Bangalore, which is a 50:50 JV Company of SPMCIL and BRBNMPL (Subsidiary of RBI).

- **Shri P.N. Radkar, Director (Technical)**

Shri P.N. Radkar, aged 59 years is a graduate in Mechanical Engineering from College of Engineering, Karad, Maharashtra with Post Graduate qualification in Management, MBA (Finance). He has taken professional training under Colombo Plan, UK in security printing and documents and under US AID programme in Project Evaluation and Management from Duke University Durham NC (USA).

Shri Radkar was engaged with multi-national private company from 1979 to 1983. He joined India Security Press, Nashik in 1983 and worked in various capacities there till 2003. From 2003-2006 he worked with Security Printing Press, Hyderabad. Shri Radkar served Bhartiya Reserve Bank Note Mudran Private Limited from 2006 till taking charge of Director (Technical), SPMCIL in July, 2013. Shri Radkar is also a Director on the Board of Bank Note Paper Mill India Pvt. Ltd. (BNPMIPL).

- **Shri H. Pradeep Rao, (Govt. Nominee, Ministry of Finance)**

Shri H. Pradeep Rao has been appointed as Government Nominee Director on the Board of SPMCIL by the Government of India w.e.f. 9th March, 2010. Presently, Shri H Pradeep Rao is the Additional Secretary and Financial advisor to Government of India, Ministry of Finance, New Delhi. He is MBA, MA and CIA (Certified Internal Auditor). He is an Indian Audit & Accounts Service (IA&AS) Officer of the 1981 batch. He has held key positions, including Accountant General of the State of Jammu & Kashmir, Principal Director (Reports, Central), Office of the Comptroller & Auditor General of India, New Delhi, Director of External Audit, World Health Organisation (WHO), Geneva, Switzerland, Member Audit Board and Principal Director of Commercial Audit, Chennai, Principal Accountant General West Bengal and Director General of Audit (Central Expenditure), New Delhi. He is also a Director on the Board of Syndicate Bank and GSTN.



- **Dr. Saurabh Garg (Govt. Nominee, Ministry of Finance)**

Dr. Saurabh Garg is presently Joint Secretary, Investments & Currency, in the Department of Economic Affairs, Ministry of Finance, Government of India. Since joining the Indian Administrative Service, Dr. Garg has held various responsibilities in the Government of Odisha in the Departments of Industries and Urban Development in the districts of Kalahandi & Keonjhar and in the Government of India in the Departments of Expenditure and Economic Affairs and the World Bank. He has also worked in the private sector with the Tata Administrative Service.

Dr. Garg holds a Ph.D in International Economics and Development from the Johns Hopkins University, USA. He has an MBA from the Indian Institute of Management, Ahmedabad, where he was awarded a Gold Medal, and a B.Tech. from the Indian Institute of Technology, New Delhi. He was a Gurukul Chevening Fellow at the London School of Economics & Political Science, London.

He has published articles and contributed to books in different areas including innovations in administration and corporate governance.

He has been appointed as a Govt. Nominee Director from the Department of Economic Affairs, Ministry of Finance and acting as ex-officio part-time Director on the Board of Security Printing and Minting Corporation of India Limited (SPMCIL) w.e.f. 15th September, 2014.

- **Shri M.A. Ganapathy (Govt. Nominee, Ministry of Home Affairs)**

Shri M.A. Ganapathy is an Indian Police Service Officer of the 1986 batch. He graduated in Economics from Madras Christian College, Chennai (1984) and did his post-graduation in International Studies from Jawaharlal Nehru University, New Delhi (1986) and L.L.B. from the Delhi University (2007). He joined the Indian Police Service in the year 1986 and was allotted Uttar Pradesh cadre and was later allotted Uttarakhand Cadre after the creation of the new State of Uttarakhand.

During his career spanning 29 years in the Police Service, Shri Ganapathy has served as Superintendent of Police at Moradabad City, Sonbhadra and Hardoi and as Sr. Superintendent of Police at Nainital, Meerut and Kanpur. He has the field experience of dealing with Left Wing Extremism and Sikh militancy, in addition to tackling multifarious policing challenges in towns like Meerut and Kanpur. He was selected for deputation to the Central Bureau of Investigation in 1999 and functioned as SP, Special Crimes Branch, Delhi and was subsequently promoted as DIG, Anti-Corruption-I, Delhi.

After returning to Uttarakhand in 2007, he served as Inspector General of Police, Crime/Law & Order and later as IG, Garhwal Range/Mahakumbh 2010 (Haridwar) and thereafter as Additional Director General (Admn), Uttarakhand Police.

Presently he is on central deputation to the Ministry of Home Affairs as Joint Secretary, Internal Security. Earlier he was Joint Secretary, Left Wing Extremism for over three years and prepared the blueprint for Central Government's counter-LWE strategy.

Shri M.A. Ganapathy is a recipient of Police Medal for Meritorious Service in the year 2002 and President's Police Medal for Distinguished Service in the year 2010. He is also

an alumnus of the National Defence College, Delhi (2006). He has attended the Oxford University Programme on 'Negotiations' (2012) and the Harvard University Programme on 'Leadership for the 21st Century: Chaos, Conflict and Courage' (2013).

He has been appointed as a Govt. Nominee Director from the Ministry of Home Affairs and acting as part-time Director on the Board of Security Printing and Minting Corporation of India Limited (SPMCIL) w.e.f. 9th June, 2015.

- **Shri Muktesh K. Pardeshi (Independent Director)**

Shri Muktesh K. Pardeshi has been appointed as customer nominee Director on the Board of SPMCIL by the Ministry of External Affairs w.e.f. 3 November 2010. Born in 1966, Shri Pardeshi holds a Master of Arts degree in Sociology from the Delhi School of Economics and a Diploma in Spanish Language from the National Autonomous University of Mexico. He joined Indian Foreign Services in 1991. Presently, he is Joint Secretary (Passport Seva Project) and Chief Passport Officer in the Ministry of External Affairs, Government of India. Earlier, He served as Minister/Deputy Head of Mission at the Embassy of India in Jakarta (2007-10) and Counsellor at the Permanent Mission of India to the Conference on Disarmament in Geneva (2004-07). During 1993-2001, he worked with Indian Missions in Mexico, Colombia and Nepal (where he also held the position of the Secretary of B. P. Koirala India-Nepal Foundation). In 2001-04, he was Deputy Secretary (South East Asia and Pacific) in the Ministry of External Affairs, New Delhi.

- **Smt. Uma Shankar (Independent Director)**

Smt. Uma Shankar born on 15th October 1959 is RBI Nominee Director on the Board of SPMCIL. Smt. Uma Shankar is a Graduate of the Columbia Business School Executive Education Programme. She has done M.A. (English) & is a CAIIB. She Joined the Reserve Bank of India in February 1982 as Grade "B" Officer. She has held important posts in RBI in various capacities in Issue Department, Banking Department, Department of Banking Supervision, Urban Banks Department and other departments in Chennai, Hyderabad, Mumbai and Bangalore offices. She has worked as Regional Director for Karnataka from July 2011 to February 2015. Prior to this she has worked as Chief General Manager, Urban Banks Department in the Bank's Central Office at Mumbai.

Presently she is working as Principal Chief General Manager in Department of Currency Management, Reserve Bank of India, Mumbai. She is also a Nominee Director of RBI on the Board of Canara Bank and ex-Nominee Director of RBI on the Boards of UCO Bank and Corporation Bank.

- **Smt. Anula Kumar (Independent Director)**

Smt. Anula Kumar, Deputy Director General (Philately), Deptt. of Posts is an officer of the 1989 batch of the Indian Postal Service. Born in 1965, Smt. Anula Kumar holds a Master of Arts degree in English Literature and M.Phil (English) from the Meerut University and M.Phil (Social Sciences) from Punjab University. She has served the Department of Posts in various capacities in Uttar Pradesh, Himachal Pradesh, Delhi, Tamil Nadu & Rajasthan Circles. She has also served Ministry of Defence as Director (Civil Personnel) from 29.08.2003 to



01.07.2007 and Director (Medical) from 01.04.2008 to 31.06.2009. Before taking the charge of DDG (Philately), Department of Posts, she has worked as Postmaster General, Jodhpur Region, Rajasthan from 03.01.2013 to 04.03.2014. She has been appointed as a Customer Nominee Director from the Department of Posts and acting as an Independent Director on the Board of Security Printing and Minting Corporation of India Limited (SPMCIL) w.e.f. 3rd April, 2014.

3. AUDIT COMMITTEE

Brief description of Terms of Reference

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 Director's Responsibility Statement being part of the Board's report in terms of clause (c) 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, including the structure of the internal audit department, staffing and seniority of the official heading the department, 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.

Composition as on 31.03.2015: The Audit Committee has been constituted in accordance with the Guidelines on Corporate Governance issued by Deptt. of Public Enterprises in the 24th meeting of Board of Directors held on 15.09.2009. The terms, reference, role & power are in accordance with prescribed Guidelines.

Name, category & attendance:

Name	Designation	Category	Meeting Attended
Shri B.P. Vijayendra	Chairperson	Independent	3/3
Shri H. Pradeep Rao	Member	Nominee, AS & FA, Ministry of Finance	3/3
Shri Muktesh K. Pardeshi	Member	Independent	3/2
Smt. Anula Kumar*	Member	Independent	3/1

**Smt. Anula Kumar has been appointed as member of Audit Committee w.e.f. 30.05.2014.*

Meetings and Date of Meetings: The three meetings of the Audit Committee in the financial year 2014-15 have been held on 31.07.2014, 10.11.2014 & 03.03.2015.

4. REMUNERATION COMMITTEE

Brief Description & Composition: The constitution, tenure, remuneration of the functional directors is decided by the President of India. In compliance of the mandatory guidelines on Corporate Governance issued by DPE, a Remuneration Committee of the Board of Directors of the Company was constituted by the Board in its 21st meeting held on 15th May, 2009 for Performance Related Pay (PRP) of the Executives of the Company. Further, the Remuneration Committee has been reconstituted from time to time and as on 31.03.2015, the committee comprises of the following Directors:

Name	Designation	Category
Shri Muktesh K. Pardeshi	Chairman	Independent
Dr. Saurabh Garg	Member	Nominee, JS (I&C) DEA, MoF
Smt. Anula Kumar*	Member	Independent
Shri B.P. Vijayendra	Member	Independent

**Smt. Anula Kumar has been appointed as member of Remuneration Committee w.e.f. 30.05.2014.*

Meetings and Attendance: During the year 2014-15, no meeting of Remuneration Committee was held.



The details of gross remuneration paid to the Functional Directors of the Company during the year 2014-15 and 2013-14 are as follows:

(Amount in ₹)

Particulars	2014-15	2013-14
Salary and Allowances	7,822,501	6,645,911
Contribution to PF/ Pensionary Charges	2,402,314	591,629
Leave Encashment	3,088,099	276,260
Lease Rent & Other Perks	6,802,760	4,433,015
Gratuity	789,704	319,714
Total	20,905,378	12,266,529

No remuneration is paid to the non-functional Directors of the Company.

5. CSR & SUSTAINABILITY COMMITTEE

Brief Description & Composition: In compliance of CSR & Sustainability guidelines issued by DPE, a CSR Committee of the Board of Directors of the Company was constituted by the Board in its 53rd meeting held on 20th May 2013 to assist the Board of Directors to formulate suitable policies and strategies to take the CSR & Sustainability agenda of the Company forward in the desired direction. The Board of Directors of the Company has approved the CSR & Sustainability Policy of the Company in its 62nd meeting held on 11.11.2014 in compliance of Companies Act, 2013 and guidelines on CSR and Sustainability issued by DPE for all CPSEs effective from 01.04.2014. The CSR & Sustainability Committee has been reconstituted from time to time and as on 31.03.2015, the committee comprises of the following Directors:

Name	Designation	Category
Smt. Anula Kumar	Chairperson	Independent
Dr. Manoranjan Dash	Member	Director (HR)
Dr. Saurabh Garg	Member	Nominee, JS (I&C) DEA, MoF

Meetings and Attendance: During the year 2014-15, two meeting of CSR & Sustainability Committee were held on 28.10.2014 & 20.02.2015.

6. GENERAL BODY MEETINGS

Venue, Date and Time of Company's AGM of last 3 years with details of Special Resolutions passed:

Particulars	2011-12	2012-13	2013-14
Date	September 27, 2012	November 13, 2013	November 11, 2014
Time	1:00 pm	1:30 pm	1:30 pm
Venue	16 th Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi-110 001	16 th Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi-110 001	16 th Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi-110 001
Details of Special Resolutions passed in the AGM	None	None	None

Details of Annual General Meeting in the current year:

Year	Date and Time of AGM	Venue
2014-15	December 8, 2015 at 1:30 pm	16 th Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi-110 001

7. DISCLOSURES

- (i) The Company does not have any material related party transactions, which have potential conflict with the company at large. Disclosures regarding transactions with the related parties are given in the Notes to Accounts of the Financial Statements for the year ended 31st March, 2015.
- (ii) There were also 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 statements and disposal of the same are still pending with the judicial and quasi – judicial authorities.
- (iii) Company has reiterated the Whistle Blower Policy of CVC and no person has been denied access to the Audit Committee.
- (iv) The company is complying with all the requirement of the Guidelines on Corporate Governance for CPSEs issued by the DPE to the extent reflected herein.
- (v) No Presidential Directives issued during the year and last three year.
- (vi) During the year, no expenditure is debited to the books and accounts which are not for the purpose of business expenditure.
- (vii) During the year, no expenses which are of personal nature have been incurred for the Board of Directors and Top Management.
- (viii) The percentage of Administrative and office expenses as a percentage of total expenses is 5.10% and financial expenses as a percentage of total expenses is nil.

8. MEANS OF COMMUNICATION

Quarterly Results, Presentation etc. : The official news releases, presentations, financial results etc. are displayed on the Company's website www.spmcil.com.

Website: The financial information, code of conduct and other related information is also available on the Company's website.

9. AUDIT QUALIFICATIONS

The comments on accounts for the year ended on 31st March, 2015 by the Comptroller & Auditors General of India under Section 139 of the Companies Act, 2013 and Statutory Auditors of the Company are given in the Annexures to the Directors Report along with the comments of the management of the Company.

10. TRAINING OF BOARD MEMBERS

The Company has applied informal training of Board members by way of providing regular updates about the performance of the company, Governments directions, Corporate Governance guidelines, etc. from time to time.



11. WHISTLE BLOWER POLICY

The Company is committed to conduct its business in accordance with highest standards of business ethics to ensure compliances of all applicable laws, rules and regulations. The Board of Director has laid down the Code of Business Conduct and Ethics for the Board members and Senior Management of the Company. The copy of the Code has been displayed on the Company's website www.spmcil.com. All members of the Board and Senior Management have confirmed compliance of Code of Conduct for the year 2014-15. SPMCIL has reiterated the Whistle Blower Policy of the CVC vide letter No. SPMCIL/Vig/3/09/07/5175 dated 16.03.2010.

12. COMPLIANCE CERTIFICATE

This Report duly complies and covers all the suggested items as mentioned in *Annexure-VII* of the Guidelines. The Certificate obtained from the practicing Company Secretary regarding compliance of conditions of Guidelines of Corporate Governance of CPSEs has been annexed to the Report.

DECLARATION BY CHAIRMAN-CUM-MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2014-15.

'I, M S Rana, Chairman and Managing Director of Security Printing and Minting Corporation of India Limited hereby confirm that the Company has obtained from the members of the Board and Senior Management an affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2014-15.'

Date: 8th December, 2015

Place: New Delhi



(M. S. Rana)

Chairman & Managing Director
DIN – 01174242

M/s. J.K. Gupta & Associates

(Company Secretaries)

256 & 257, Vardhman City Center 2,
Near Shakti Nagar Railway Under Bridge,
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Service Tax No. AAGPG3144HST001

CERTIFICATE ON CORPORATE GOVERNANCE REPORT

The Members,

Security Printing and Minting Corporation of India Limited

16th Floor, JawaharVyaparBhawan,

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, (hereinafter referred as 'the Company') for the year ended on 31st March, 2015 as stipulated in 'Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010' vide Notification No. 1 No. 18(8)/200S-GM originally issued on 22.06.2007 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 annexures 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 abovementioned guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of 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 the abovementioned Guidelines subject to the following Observation:

“In accordance with Cabinet approval in case of SPMCIL, due to security sensitive nature of the Company, it had been decided to create different setup of Board of Directors of SPMCIL from that recommended by DPE for other CPSEs.”

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 J. K. Gupta & Associates

Sd/-

(Jitesh Gupta)

FCS: 3978

CP: 2448

Date : 23.11.2015

Place: Delhi

ANNEXURE-IX

FORM NO. MGT - 9

Extract of Annual Return as on the Financial Year ended on March 31, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i) CIN	CIN : U22213DL2006GOI144763
ii) Registration Date	13.01.2006
iii) Name of the Company	Security Printing and Minting Corporation of India Limited (SPMCIL)
iv) Category / Sub-Category of the Company	Company Limited by Shares / Government Company
v) Address of the Registered Office of the Company	16 th Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi-110001, INDIA Phone No. : 011-23701225-26 Fax No. : 011-23701223 Email ID : info@spmCIL.com Website : www.spmCIL.com
vi) Whether listed Company	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any;	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated.

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service*	% to total turnover of the Company
1.	Printing of Bank Notes	18114	35.56
2.	Manufacture of Coins	32114	44.32

* As per National Industrial Classification 2008 - Ministry of Statistics and Programme Implementation

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Bank Note Paper Mill India Pvt. Ltd. (A joint venture of BRBNMPL & SPMCIL), 1 st Floor, S.R. Complex, No.2, Thavarekere Main Road, S.G. Palya, DRC Post, Bangalore-560029	U21090KA2010PTC055475	Associate	50%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual / HUF	-	-	-	-	-	-	-	-	-
(b) Central Govt.	-	50,000	50,000	100%	-	50,000	50,000	100%	-
(c) State Govt.(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.									
(e) Banks/FI	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	-	50,000	50,000	100%	-	50,000	50,000	100%	-
2. Foreign									
(a) NRIs Individual	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	-	50,000	50,000	100%	-	50,000	50,000	100%	-
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	-	-	-	-	-	-	-	-	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt.(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
(a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
(c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	50,000	50,000	100%	-	50,000	50,000	100%	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% of change in shareholding during the year
1.	President of India	50,000	100%	-	50,000	100%	-	-
	Total	50,000	100%	-	50,000	100%	-	-

(iii) Change in Promoters' Shareholding

Sl. No.	Description	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total Shares of the Company
1.	At the beginning of the year	50,000	100%	50,000	100%
2.	At the End of the year	50,000	100%	50,000	100%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total Shares of the Company
1.	At the beginning of the year	-	-	-	-

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total Shares of the Company
2.	Date wise Increase / Decrease in Promoters Share holding during the year, specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
3.	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total Shares of the Company
1.	At the beginning of the year	-	-	-	-
2.	Date wise Increase / Decrease in Promoters Share holding during the year, specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
3.	At the End of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Addition	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Directors and / or Manager

Sl. No.	Particulars of Remuneration	CMD	Whole Time Director		CVO	Manager	Total Amount
1.	Gross Salary	Shri M.S. Rana	Dr.Manoranjana Dash	Shri P.N. Radkar	Shri S.K. Jha	-	-
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961;	5,366,182	5,215,019	3,056,296	2,358,218	-	15,995,715
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	1,814,964	702,210	1,139,229	1,253,260	-	4,909,663
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-	-
5.	Others, specify	-	-	-	-	-	-
	Total (A)	7,181,146	5,917,229	4,195,525	3,611,478	-	20,905,378

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	-	-	-	Total Amount
1.	Independent Directors				
	• Fee for attending Board / Committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, specify	-	-	-	-
	Total (1)	-	-	-	-
2.	Other Non-Executive Directors				
	• Fee for attending Board / Committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (1+3)	-	-	-	-
	Total Managerial Remuneration (A+B)	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	Shri Sachin Agarwal Dy. Company Secretary	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961;	-	525,541	525,541
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	257,718	257,718
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, specify	-	-	-
	Total	-	783,259	783,259

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

M/s. BATRA SAPRA & Co.
Chartered Accountants

F-14, Shivam House, 17 Amar Chamber
Connaught Circus, New Delhi - 110001
Email : batrasapra@yahoo.co.in



Phone : +91 11 23314959
: +91 11 23314965

Date: 21st September, 2015

REVISED INDEPENDENT AUDITORS' REPORT

To,

The Members,

**Security Printing and Minting Corporation of India Limited,
16th Floor, Jawahar Vyapar Bhawan,
Janpath, New Delhi-110 001.**

Report on the Standalone Financial Statements

We have audited the accompanied Standalone financial statements of Security Printing and Minting Corporation of India Limited ("The Company"), which comprise Balance Sheet as at 31st March 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and Cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements

are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Annexure-I and Annexure-II which shall form integral part of Audit Report, the aforesaid Standalone financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the Case of Balance-Sheet, of the state of affairs of the Company as at March 31, 2015,
- b) In the Case of Statement of Profit & Loss, of the Profit for the year ended on that date and
- c) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

- A. As required by the Companies Auditors Report Order, 2015 ("the Order No. S.O 990(E)") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we have given the statement on the matters specified in the order **(Refer Annexure-II to Audit Report of our report).**
- B. As required by section 143(3) of the Act, we report that:
 - i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii) Except for the effects of the matter described in the Basis for qualified Opinion paragraph above, in our opinion. Proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt by us in preparing this report.
 - iv) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report or an agreement with the books of account and returns.
 - v) Except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above, in our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 *except for the effects of matters described in Annexure-I of our report.*



- vi) The matter described in the basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- vii) The Observations and Comments on the financial transactions or matters have been duly incorporated in our Audit Report (*Refer Annexure-I and Annexure-II of our report*).
- viii) On the basis of written representations received from the Directors as on 31st March, 2015, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015, from being appointed as a Director in terms of Section 164(2) of the Act.
- ix) The Observations and Qualifications in respect of the maintenance of the books of accounts or other matters connected herewith have been duly incorporated in our Audit Report (*Refer Annexure-I and Annexure-II of our report*).
- x) The Company has adequate internal financial control system in place and operative effectiveness of such control *except for the effects of the matters described in Annexure-I of our report*.
- xi) The Company has disclosed the impact of pending litigations on its financial position in its financial statements (*Refer Note 37 of Notes to Accounts*).
- xii) The Company did not have any Long Term Contracts for which there were any material Foreseeable Losses.
- xiii) There were no such amounts which were required as far as it appears to be transferred to the Investor Education and Protection Fund by the Company

For M/s. Batra Sapra & Co.
Chartered Accountants
Firm Registration No.000103N

Sd/-

A.L. Batra
(Senior Partner)
M.No.016929

Date : 21.09.2015
Place: New Delhi

ANNEXURE TO THE AUDITORS REPORT
SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

**ANNEXURE-I OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31ST MARCH, 2015**

BASIS FOR QUALIFIED OPINION

1. Accounting Standard 2, "Valuation of Inventories"

Value of Inventories of Finished goods and Work-in Progress includes 226.48 million pieces of Bank Notes amounting to ₹36.69 crores for which Reserve Bank of India (RBI) has deferred the acceptance of these Notes, which is included in the closing stock.

2. Accounting Standard 9, "Revenue Recognition"

The revenue on account of sale of Bank Notes for the Financial year 2014-15 have been accounted for at MoU rate of the year 2014-15 approved by Ministry of Finance which are yet to be accepted by RBI (*Refer Note 61 of Notes to Accounts*).

3. Accounting Standard 10, "Accounting for Fixed Assets"

As on the date of takeover vide Ministry of Finance, Office Memorandum dated 10th February 2006, the Gross Block and accumulated depreciation of Fixed Assets have been shown at historical cost of purchases instead of actual cost to the Company.

4. Accounting Standard 29, "Accounting for Provision, Contingent Liabilities and Contingent Assets"

a. Non-Provision of VAT / CST / Sales Tax liabilities of ₹405.31 crores resulting in understatement of Loss by ₹20.87 crores and understatement of Liabilities by ₹405.31 crores.

b. At ISP Nashik the disputed legal case to the tune of ₹43.34 crores has been shown under Contingent liability and as appeal pending before Appropriate Authorities.

5. Internal Control with regard to ERP System

At SPM Hoshangabad, manual entries were made to reconcile the difference between various modules of ERP during initial stabilization stage and accordingly ₹4.33 crores has been adjusted to "Consumption Accounts". Further, the costing and production planning module were not functional throughout the year. Moreover, internal control at ISP Nashik needs to be improved further in the area of invoicing to CSD Department. In few cases invoices were raised wrongly and cancelled subsequently without obtaining prior approval of Competent Authority. It is also observed that few invoices including Express Post Parcel Charges were made and posted manually due to technical problem in system.

6. Confirmation of Party Balances

Balance appearing under the head, Sundry Creditors, Sundry Debtors, Loans and Advances, deposits, other receivables and other payables are subject to confirmation.

7. Other Qualified Opinion

a. Title Deed in respect of Land at Sector-23 and 4 Flats at Sector-27 at Noida (U.P) is not produced for verification. Immovable assets in the possession of the Company have not yet been transferred in the name of Company.

b. All the assets lying in the books of accounts are not insured except vehicles.

ANNEXURE-II

ANNEXURE TO THE AUDITORS' REPORT

Security Printing and Minting Corporation of India Limited ("The Company")

Annexure-I referred to in our report to the Members of Security Printing and Minting Corporation of India Limited ("The Company") for the year ended on 31st March 2015.

COMPANIES AUDIT REPORT ORDER, 2015 (CARO)

Sl.No.	Particulars	Auditors Remark
i.	(a)Whether the Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.	Company has maintained proper records, including quantitative details and situations of fixed assets on the basis of available information.
	(b)Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account.	Company has carried out physical verification of fixed assets except the Saifabad and Hoshangabad unit. However, As in the case of BNP Dewas unit report on physical verification has not been accepted by the management.
ii.	(a)Whether physical verification of inventory has been conducted at reasonable intervals by the management.	As explained to us, the physical verification of the inventory has been conducted by the management at all the units except "Security Paper Mill, Hoshangabad" during the year. In case of IGM Mumbai, frequency of verification is adequate and reasonable, except for inventory of Gold lying with RBI.
	(b)Are the procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business. If not, the inadequacies in such procedures should be reported.	In our opinion, the procedure of physical verification of Inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of the business.
	(c)Whether the Company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;	In our opinion, the Company is maintaining proper records of its inventories however, in case of IGM Kolkata, the discrepancies out of physical verification of Commemorative Coins and Medals as compared to book records have not been ascertained. Other than Commemorative Coins and Medals, the discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of account



iii.	Whether the Company has granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. If so.	The Company have not granted any loans, Secured or unsecured, to companies, firms, or other parties covered in the register maintained under section 189 of the Companies Act, 2013 accordingly this paragraph is not applicable to the Company.
	(a) Whether receipt of the principal amount and interest are also regular; and	Not Applicable.
	(b) If overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest.	Not Applicable.
iv.	Is there an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services? Whether there is a continuing failure to correct major weaknesses in Internal Control System.	According to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, except in case of IGM Kolkata, regarding Commemorative Coins and Medals, the internal control system needs to be strengthened considering the size and nature of the Company and correct the weaknesses in the internal control system (<i>Refer to Annexure-II of the Audit Report</i>).
v.	In case the Company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder, where applicable, have been complied with? If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The Company has not accepted any deposits, hence, the directives issued by the Government of India and provisions of section 73 to 76 or any other relevant provisions of Companies Act and the rules framed thereunder are not applicable to the Company.
vi.	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained.	Company is maintaining books of accounts pursuant to the rules made by Central Government for the maintenance of records under Sub-section 1 of Section 148 of the Companies Act, 2013 and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained except in case of "Security Printing Press, Hyderabad". In respect of "ISP, Nashik", accounts and records as per Section 148(1) of the Companies Act, 2013 are incomplete to be able to derive the desired results.

vii.	(a)Is the Company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	<p>The Company is generally regular in depositing undisputed statutory dues, including provident fund, tax deducted at source, employees' state insurance, sales tax, value added tax (VAT), service tax, custom duty and other material statutory dues applicable to it, except the under mentioned:-</p> <table><tr><th>Sl. No.</th><th>Nature of Dues</th><th>Unit Name</th><th>Amount in ₹</th><th>Period for which it relates</th></tr><tr><td>1.</td><td>Service Tax on amounts paid to CPWD / Reverse Charge Mechanism</td><td>ISP, Nashik</td><td>4,474,267</td><td>2012-2013 2013-2014</td></tr><tr><td>2.</td><td>Service Tax on amounts paid to CPWD / Reverse Charge Mechanism</td><td>ISP, Nashik</td><td>1,133,841</td><td>2014-2015</td></tr><tr><td>3.</td><td>Municipal Tax</td><td>ISP, Nashik</td><td>5,988,190</td><td>2008-2015</td></tr><tr><td>4.</td><td>TDS</td><td>SPM, Hoshangabad</td><td>2,012,280</td><td>2007-08 to 2014-15</td></tr><tr><td>5.</td><td>Pensionary Charges</td><td>SPM, Hoshangabad</td><td>118,197,914</td><td>2008-09 to 2011-12</td></tr><tr><td>6.</td><td>Professional Tax</td><td>IGM, Mumbai</td><td>2,500</td><td>2014-15</td></tr><tr><td>7.</td><td>Central Saes Tax</td><td>IGM, Kolkata</td><td>1,753,000</td><td>2007-08</td></tr><tr><td>8.</td><td>Tax Deducted at Source</td><td>IGM, Kolkata</td><td>60,000</td><td>2006-07 to 2007-08</td></tr><tr><td>9.</td><td>Professional Tax</td><td>IGM, Kolkata</td><td>119,000</td><td>2006-07 to 2008-09, 2012-13</td></tr><tr><td>10.</td><td>Income Tax</td><td>Head Office</td><td>427.50 lacs + Interest</td><td>2010-11</td></tr><tr><td>11.</td><td>Income Tax</td><td>Head Office</td><td>501.57 lacs +Interest</td><td>2011-12</td></tr><tr><td>12.</td><td>Income Tax</td><td>Head Office</td><td>207.37 lacs +Interest</td><td>2012-13</td></tr></table>	Sl. No.	Nature of Dues	Unit Name	Amount in ₹	Period for which it relates	1.	Service Tax on amounts paid to CPWD / Reverse Charge Mechanism	ISP, Nashik	4,474,267	2012-2013 2013-2014	2.	Service Tax on amounts paid to CPWD / Reverse Charge Mechanism	ISP, Nashik	1,133,841	2014-2015	3.	Municipal Tax	ISP, Nashik	5,988,190	2008-2015	4.	TDS	SPM, Hoshangabad	2,012,280	2007-08 to 2014-15	5.	Pensionary Charges	SPM, Hoshangabad	118,197,914	2008-09 to 2011-12	6.	Professional Tax	IGM, Mumbai	2,500	2014-15	7.	Central Saes Tax	IGM, Kolkata	1,753,000	2007-08	8.	Tax Deducted at Source	IGM, Kolkata	60,000	2006-07 to 2007-08	9.	Professional Tax	IGM, Kolkata	119,000	2006-07 to 2008-09, 2012-13	10.	Income Tax	Head Office	427.50 lacs + Interest	2010-11	11.	Income Tax	Head Office	501.57 lacs +Interest	2011-12	12.	Income Tax	Head Office	207.37 lacs +Interest	2012-13
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	(b)In case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).	<p>There were no undisputed amounts payable in respect of custom duty, sales tax, VAT, Service Tax and other material statutory were outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable except the under mentioned:</p> <table><tr><th>Nature of Dues</th><th>Amount in ₹</th><th>Authority</th><th>Unit Name</th><th>Year</th></tr><tr><td>Service Tax on Transportation</td><td>178,499</td><td>Assistant Commissioner of Central Excise, Division-II, Bhopal</td><td>SPM, Hoshangabad</td><td>–</td></tr><tr><td>VAT, CST and Entry Tax</td><td>171,046,862</td><td>Additional Commissioner of Commercial Tax, Bhopal</td><td>SPM, Hoshangabad</td><td>2010-11 to 2012-13</td></tr></table>	Nature of Dues	Amount in ₹	Authority	Unit Name	Year	Service Tax on Transportation	178,499	Assistant Commissioner of Central Excise, Division-II, Bhopal	SPM, Hoshangabad	–	VAT, CST and Entry Tax	171,046,862	Additional Commissioner of Commercial Tax, Bhopal	SPM, Hoshangabad	2010-11 to 2012-13																																																		
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	(c) Whether the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.	According to information and explanation given to us, no such amount exists in the books of units.																																																		
(viii)	Whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.	The Company does not have accumulated losses at the end of financial year. The Company has not incurred any cash losses during the financial covered under Audit and immediately preceding financial year.																																																		
(ix)	Whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported.	Company has not defaulted in repayment of dues to any financial institutions or banks as on 31st March 2015. The Company has not issued any debentures during the year. Hence this clause is not applicable.																																																		



(x)	Whether the Company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.	According to the information and explanation given to us the Company has not given any guarantee for the loans taken by others from bank or Financial institutions. Hence this clause is not applicable.
(xi)	Whether term loans were applied for the purpose for which the loans were obtained.	The Company has not availed any term loan facility during the financial year under Audit. Hence this clause is not applicable.
(xii)	Whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.	Based on the audit procedures performed and information and explanations given by the management, we report that no material fraud on or by the units have been noticed or reported during the year.

For M/s. Batra Sapra & Co.

Chartered Accountants

Firm Registration No.000103N

Sd/-

(A.L. Batra)

Partner

M.No.016929

Date : 21.09.2015

Place: New Delhi

SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

Balance Sheet as at 31.03.2015

(Amount in ₹)

Sl. No.	Particulars	Note No.	Figures as at the end of 31.03.2015	Figures as at the end of 31.03.2014
I.	EQUITY AND LIABILITIES			
1.	Shareholders' Funds			
	(a) Share Capital	Note 2	500,000	500,000
	(b) Reserves and Surplus	Note 6	24,724,590,515	28,597,923,375
2.	Funds from Govt. of India (Adjustable)	Note 3	28,786,476,463	28,786,476,463
3.	Non-current Liabilities			
	(a) Other Long Term Liabilities	Note 7	14,330,591	14,330,591
	(b) Long-term Provisions	Note 8	3,172,825,154	2,758,161,428
4.	Current Liabilities			
	(a) Trade Payables	Note 9	3,240,120,574	4,481,303,071
	(b) Other Current Liabilities	Note 10	4,219,636,549	2,849,627,486
	(c) Short-term Provisions	Note 11	5,570,720,036	5,833,018,868
	TOTAL		69,729,199,882	73,321,341,282
II.	ASSETS			
1.	Non-current Assets			
	(a) Fixed Assets	Note 12		
	(i) Tangible Assets		9,644,532,631	10,342,083,865
	(ii) Intangible Assets		64,987,888	87,010,072
	(iii) Capital Work in Progress		4,174,926,141	4,489,516,597
	(b) Non-current investments	Note 13	3,000,000,000	3,000,000,000
	(c) Deferred Tax Assets (Net)	Note 48	2,231,881,952	2,934,932,441
	(d) Long-term Loans and Advances	Note 14	255,364,826	305,310,159
	(e) Other non-current Assets	Note 15	1,295,812,316	2,138,904,297
2.	Current Assets			
	(a) Current Investments	Note 16	994,465,420	716,027,955
	(b) Inventories	Note 17	14,538,467,151	11,494,181,238
	(c) Trade Receivables	Note 18	10,422,670,419	15,232,206,001
	(d) Cash and Bank Balances	Note 19	12,910,104,539	13,863,584,943
	(e) Short-term Loans and Advances	Note 20	8,688,464,142	8,498,780,016
	(f) Other Current Assets	Note 21	1,507,522,457	218,803,698
	TOTAL		69,729,199,882	73,321,341,282

Significant Accounting Policies

Note 1

Notes 1 to 63 referred to above form an integral part of the Financial Statements.

As per our report of even date annexed.

For M/s. Batra Sapra & Co.
Chartered Accountants
Firm Registration No. 000103N

Sd/-
CA. Amrit Lal Batra
Partner
(M.No. 016929)

On behalf of Security Printing and Minting Corporation of India Ltd.

Sd/-
M.S Rana
Chairman & Managing Director
& Incharge Director (Finance)

Sd/-
P. N. Radkar
Director (Technical)

Date: 11.08.2015
Place: New Delhi

Sd/-
Sachin Agarwal
Dy. Company Secretary



SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

Statement of Profit and Loss for the Year ended 31.03.2015

(Amount in ₹)

Sl. No.	Particulars	Note No.	Figures for the year ending on 31.03.2015	Figures for the year ending on 31.03.2014
I.	Revenue from Operations	Note 22	45,094,493,901	38,975,312,642
II.	Rate Difference of Earlier Year Sales	Note 22A	(11,620,389,553)	0
III.	Provision Written Back	Note 22B	4,559,354,604	52,992,761
IV.	Other Income	Note 23	1,081,381,209	1,341,753,684
V.	Total Revenue (I+II+III+IV)		39,114,840,161	40,370,059,087
VI.	Expenses:			
	Cost of Raw Material	Note 24	25,443,318,098	22,682,560,010
	Changes in Inventories of Finished Goods, Work-in-Progress	Note 25	(1,230,615,435)	(1,338,503,311)
	Employee Benefits Expense	Note 26	10,655,996,726	9,394,525,799
	Finance Costs			
	Depreciation and Amortization Expense	Note 12	1,532,662,427	1,180,795,392
	Other Expenses / Provisions	Note 27&28	5,476,546,920	5,085,495,836
	Total Expenses		41,877,908,736	37,004,873,726
VII.	Profit before Prior Period, Exceptional and Extraordinary Items and Tax (V-VI)		(2,763,068,576)	3,365,185,361
VIII.	Prior Period Income / (Expenses)	Note 29	(54,615,650)	101,998,718
IX.	Profit before Exceptional and Extraordinary Items and Tax (VII-VIII)		(2,817,684,226)	3,467,184,079
X.	Exceptional Items		0	0
XI.	Profit Before Extraordinary Items and Tax (IX - X)		(2,817,684,226)	3,467,184,079
XII.	Extraordinary Items		0	0
XIII.	Profit Before Tax (XI-XII)		(2,817,684,226)	3,467,184,079
XIV.	Tax Expense:			
	(1) Current Tax		-	(1,642,117,807)
	(2) Deferred Tax		(703,050,489)	341,972,012
	(3) Taxes of Earlier Years		-	(20,777,934)
XV.	Profit (Loss) for the Period from Continuing Operations (XIII-XIV)		(3,520,734,715)	2,146,260,350
XVI.	Profit/(Loss) from Discontinuing Operations		0	0
XVII.	Tax Expense of Discontinuing Operations		0	0
XVIII.	Profit/(Loss) from Discontinuing Operations (After Tax) (XVI-XVII)		0	0
XIX.	Profit (Loss) for the Period (XV + XVIII)		(3,520,734,715)	2,146,260,350
XX.	Earnings Per Equity Share:			
	(1) Basic	Note 47	-70,415	42,925
	(2) Diluted		-70,415	42,925

Significant Accounting Policies

Note 1

Notes 1 to 63 referred to above form an integral part of the Financial Statements.

As per our report of even date annexed

For M/s. Batra Sapra & Co.
Chartered Accountants
Firm Registration No. 000103N

On behalf of Security Printing and Minting Corporation of India Ltd.

Sd/-
CA. Amrit Lal Batra
Partner
(M.No. 016929)

Sd/-
M.S Rana
 Chairman & Managing Director
 & Incharge Director (Finance)

Sd/-
P. N. Radkar
 Director (Technical)

Sd/-
Sachin Agarwal
 Dy. Company Secretary

Date: 11.08.2015
 Place: New Delhi

SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

Cash Flow Statement for the year ended 31st March, 2015

(Amount in ₹)

Particulars		2014-15	2013-14
A.	Cash Flow from Operating Activities		
	Net Profit Before Tax (a)	(2,817,684,226)	3,467,184,079
	Add		
	<i>Adjustment for</i>		
	Depreciation and Amortisations	1,532,662,427	1,180,795,391
	Change In Surplus	(339,724,360)	-
	Loss on sale/discard of Fixed Assets	(247,062)	36,623,701
	(Profit)/ Loss on Sale of Fixed Assets	(1,164,523)	(259,259)
	Other Income		
	Interest Income	(675,586,058)	(1,089,119,114)
	Dividend Income	(18,437,464)	(35,406,897)
	Total (b)	497,502,959	92,633,822
	Operating Profit Before Working Capital Changes (c=a+b)	(2,320,181,267)	3,559,817,902
	<i>Adjustment for</i>		
	(Increase)/ Decrease in Current Investments	(278,437,464)	284,593,103
	(Increase)/ Decrease in Trade Receivables	4,809,535,582	2,245,734,983
	(Increase)/ Decrease in Inventories	(3,044,285,913)	(3,146,409,202)
	(Increase)/ Decrease in Loans & Advances	1,847,818,599	(108,997,365)
	(Increase)/ Decrease in Other Assets	(1,288,718,758)	34,833,407
	Increase/ (Decrease) in Trade Payable	(1,241,182,497)	2,134,950,888
	Increase/ (Decrease) in Other Current Liabilities	1,370,009,063	911,913,571
	Increase/(Decrease) in Long term Provisions	414,663,726	(23,178,812)
	Increase/ (Decrease) in Short Term Provisions	239,904,627	(551,322,799)
	Total (d)	2,829,306,963	1,782,117,775
	Cash Generated from Operations (e=c+d)	509,125,697	5,341,935,677
	Less: Tax Paid (f)	(2,037,502,724)	(2,191,893,685)
	Net Cash Flow from Operating Activities (g=e-f)	(1,528,377,027)	3,150,041,992
B	Cash Flow from Investing Activities		
	Interest Income	675,586,058	1,089,119,114
	Dividend Income	18,437,464	35,406,897
	Sale of Fixed Assets	5,349,030	(2,638,318)
	Payment towards Capital Expenditure incl CWIP	(841,330,954)	(4,556,904,257)
	adjustment in Fixed Assets	338,894,955	(51,967,790)
	(Increase)/ Decrease in Investments	0	0



Particulars		2014-15	2013-14
	(Increase)/ Decrease in Long Term Advances	49,945,333	2,235,501,584
	(Increase)/ Decrease in Long Term Assets	843,091,981	(157,583,607)
	Increase/(Decrease) in Fund From Govt of India	0	(8,451,710)
	Increase/(Decrease) in Long Term Liabilities	0	(33,094,135)
	Net Cash Flow From Investing Activities (j)	1,089,973,867	(1,450,612,221)
C	Cash Flow from Financing Activities		
	Dividend Payment	(429,252,070)	(846,973,156)
	Dividend Distribution Tax	(85,825,173)	(137,400,220)
	Net Cash Flow From Financing Activities (k)	(515,077,243)	(984,373,376)
	Increase/ (Decrease) in Cash or Cash Equivalent (i=g+j+k)	(953,480,403)	715,056,395
	Cash & Cash Equivalent at the beginning of the year	13,863,584,943	13,148,528,548
	Cash & Cash Equivalent at the end of the year	12,910,104,539	13,863,584,943
	Increase/ (Decrease) in Cash or Cash Equivalent	(953,480,403)	715,056,395

Notes 1 to 63 referred to above form an integral part of the Financial Statements.

As per our report of even date annexed

For M/s. Batra Sapra & Co.
Chartered Accountants
Firm Registration No. 000103N

Sd/-
CA. Amrit Lal Batra
Partner
(M.No 016929)

Date: 11.08.2015
Place: New Delhi

On behalf of Security Printing and Minting Corporation of India Ltd.

Sd/-
M.S Rana
Chairman & Managing Director
& Incharge Director (Finance)

Sd/-
P. N. Radkar
Director (Technical)

Sd/-
Sachin Agarwal
Dy. Company Secretary

Note-1 Significant Accounting Policies

(i) Basis of Preparation

The financial statements are prepared under the historical cost convention on the accrual basis of accounting, in accordance with the Indian Generally Accepted Accounting Principles (GAAP), comply with the accounting standards and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared in Indian rupees.

(ii) Use of Estimates

The preparation of financial statements in conformity with the Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities, disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include provision for future obligations under employee benefit plans, provisions for doubtful recoveries, estimated useful life of fixed Assets etc. Actual results could differ from these estimates. Any change in the accounting estimates is adjusted prospectively in the current and future periods.

(iii) Revenue Recognition

Revenue is recognized on delivery of goods to the customer. Gross sales are stated inclusive of excise.

Job work income is recognized at the time of completion of task as per terms agreed.

Interest on the deployment of surplus funds is recognised using the time-proportion method, based on interest rates contracted in the transaction.

Dividend Income is recognized in the year of receipt by the company.

Liquidated Damages recovered from the Vendors is appropriated towards the Income on completion of the Contract.

Bonus is accounted for at the time of payment.

(iv) Fixed Assets

Fixed Assets acquired have been stated at cost less accumulated depreciation Cost is inclusive of freight, non-recoverable duties, taxes and other directly attributable cost of bringing the Assets to the working condition for intended use.

As per the Ministry of Finance Office Memorandum dated 10.02.2006, all Assets and Liabilities have been taken at the Book value, pre-acquisition, the units, being commercial entity has been maintaining the Assets details at Gross Value and Useful life of Assets were fixed accordingly. Accumulated Depreciation on same as appearing in the books of vendor has been carried forward in the books of the Company. Further the residual life of the fixed assets as per Schedule-II of the Companies Act, 2013 has been considered.

Fixed Assets under construction are disclosed separately as capital work in progress.

Leasehold Assets are stated at the amount of lease premium paid at the time of grant of Lease, less amount amortized.



Dies/Moulds are fully charged to Profit and Loss Account. In-house developed Dies are not separately valued or accounted for in the books of accounts. Used/ Defaced Dies, being high security items are shown at Nil value.

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.

(v) Depreciation

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Straight Line Method (SLM) based on useful life of the assets and in the manner as prescribed in Schedule-II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule-II are used:

1. Computer Software Costing less than ₹1 lac : 100% in the year of Purchase
2. Computer Software costing More than ₹1 lac (Where : 100%
the useful life is less than or equal to one year)
3. Computer Software Costing more than ₹1 lac (In : 33.33% on SLM
other cases)
4. Assets Costing Less than ₹5000 : 100% in the year of Purchase

Lease hold rights are amortized over the period of Lease

(vi) Impairment

The carrying values of Assets are reviewed at each reporting date to determine if there is indication based on external or internal factors of any impairment as per Accounting Standard-28. An impairment loss is recognized whenever the carrying amount of an Asset or its cash generating unit exceeds its recoverable amount. The recoverable Impairment losses are recognised in the profit and loss account. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the Asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

(vii) Inventories

- a) Raw Material, Work in Progress, Consumables and Spares are valued at cost (Weighted average moving basis).
- b) Finished Goods are valued at Lower of Cost or Net Realisable Value.
- c) Scraps are valued at Net Realisable Value.
- d) Goods in Transit are valued at cost to date.
- e) 'Cost' comprises raw materials, conversion cost and other costs incurred in bringing the inventory to the present location and condition.

The change in accounting policy has resulted into over valuation of Inventory of raw material and under valuation of consumption of raw material by ₹1.55 Crores.

(viii) Inter Unit Transfers and Valuation of such Inventory

The units are transferring ink, paper, blank and dies at cost. Other items of consumables etc. are transferred at cost of purchase. Such items of inventory are valued at cost in the financial statements.

(ix) Slow, Non-Moving and Obsolete Inventory

- a) **Non-Moving Items** : Lease payments under an operating lease are recognised as an expense in the Profit and Loss Account on accrual basis.
- b) **Obsolete Inventories** : Inventories not moved for than 5 years/identified as surplus or obsolete, by committee duly constituted in this regard will be classified as obsolete inventories and will be charged to revenue in full.

(x) Operating Leases

Lease payments under an operating lease are recognised as an expense in the Profit and Loss Account on accrual basis.

(xi) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. Investments other than current are classified as long-term investments. Investments held primarily to protect, facilitate or further extension of business or trading relations are sub-classified as Long Term Trading investments and others as non-trading investments. Current investments are carried at lower of cost or fair value determined on an individual investments basis. Long-term investments are carried at cost. Provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(xii) Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the respective transactions. Realised gains and losses on foreign currency transactions during the year are recognised in the Profit and Loss Account. Monetary foreign currency Assets and liabilities remaining unsettled at the balance sheet date are translated at year end rates and resultant gains/losses on foreign currency transactions are recognised in the Profit and Loss Account.

Exchange gains or losses pertaining to acquisition of Capital Assets are capitalized to the Cost of such Assets.

(xiii) Retirement and Other Employee Benefits

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. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Profit and Loss Account when they are due. Prepaid contributions are recognised as an Asset to the extent that a cash refund or a reduction in future payments is available.



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 benefit that employee have earned in return for their service 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 "Pro-rata Pension". Combined pension optees are eligible to get their pension a 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.

Other Long Term Benefits: As per the Company's policy eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or en-cashed. Encashment can be made during the service, on early retirement, on withdrawal of scheme, at resignation by employee and upon death of employee. The scale of benefits is determined based on the seniority and the respective employee's salary.

Liability in respect of Gratuity, 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 Profit & Loss Account.

Liability in respect of Gratuity, 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 profit & Loss account.

Liability in respect of other long term/terminal employee benefits, being defined benefit plan is recognised on the basis of actuarial valuation.

Contributions with respect to the provident fund, a defined contribution plan, are made to the trust setup by the company for the purpose.

(xiv) Prior Period & Extra Ordinary Items

Prior Period Items are incomes and expenses which arise in the current period as a result of errors and omissions in the preparation of Financial Statements of one or more prior periods.



Extra Ordinary Items are incomes and expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise and therefore not expected to recur frequently or regularly.

Both Prior Period and extra ordinary items are separately disclosed in the financial statements.

(xv) Research & Development

Capital Expenditure pertaining to Research and Development are capitalised as Fixed Assets and shown separately in Fixed Assets Register and those revenue in nature are charged to Profit and Loss Account in the year of incidence.

(xvi) Earnings per Share

Basic earning per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

(xvii) Taxation

Current and Deferred Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax Assets are recognised only to the extent there is reasonable certainty that the Assets can be realised in the future. Deferred tax Assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised. Deferred tax Assets or liabilities arising due to timing differences, originating during the tax holiday period and reversing after the tax holiday period are recognized in the period in which the timing difference originates.

(xviii) Provisions and Contingent Liabilities

A provision arising from claims, litigation, assessment, fines, penalties, etc. is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect current management estimates. 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 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. When there is a possible obligation or present obligation where the likelihood of an outflow is remote, no disclosure or provision is made.

(xix) Provision for Doubtful Debts

100% Provision is created for Debts outstanding for a period more than 3 Years.

(xx) Operating Cycle

Operating cycle is defined as the time between acquisition of Assets for processing and their realization in cash and cash equivalents. Where the normal operating cycle cannot be identified, it is assumed to have duration of 12 Months.

In case of Bank Note Presses- Normal operating cycle is 8 Months.

In case of Mints- Normal operating cycle is 8 Months for circulation coins and 12 months for other products of mints.

In case of Paper Mill- Normal operating cycle is 4 Months.

In case of Security Presses- As there is no certainty regarding realization of Debtors in case of products of these units as most of the customers are Government organization, normal operating cycle cannot be identified, therefore it is assumed that operating cycle in case of products of these units of the Company is 12 Months.

(xxi) Classification as per Schedule-III of Companies Act, 2013

(1) An Asset shall be classified as current when it satisfies any of the following criteria:

1. It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle.
2. It is held primarily for the purpose of being traded.
3. It is expected to be realized within twelve months after the reporting date.
4. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other Assets shall be classified as non-current.

(2) A. Liability shall be classified as current when it satisfies any of the following criteria:

1. It is expected to be settled in the company's normal operating cycle
2. It is held primarily for the purpose of being traded
3. It is due to be settled within twelve months after the reporting date
4. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other Liabilities shall be classified as non-current.

B. Raw Materials, stores and components, scrap which are intended for consumption



- or sale in the course of the company's operating cycle shall be classified as current.
- C. Non-Moving inventory shall be classified as Non-current unless it is estimated that the same shall be consumed or sold within 12 months after the reporting date.
 - D. W.I.P shall be classified as Current only.
 - E. Finished Goods inventory which is being held primarily for purpose of being traded shall be classified as current. These may be held for any period of time. That time period has no relevance here so far as it is held primarily for trade.
 - F. Trade receivables which are expected to be realized within 12 months from the reporting date shall be classified as Current.
 - G. Trade receivables which are outstanding for more than 1 year as on 31.03.2015 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 Judicious decision shall be taken by unit in this regard. *For Example:* In case payment is pending due to non finalization of prices due to costing and it is likely that costing shall be finalized and payment shall be realized within 1 year then same shall be treated as current.
 - H. Trade Payables which are expected to be settled within 12 months from the reporting date shall be shown as Current.

Notes to Financial Statement

Note 2

Share Capital	As at 31 st March 2015		As at 31 st March 2014	
	Number	Amount (₹)	Number	Amount (₹)
Authorised				
Equity Shares of ₹10 each	2,500,000,000	25,000,000,000	2,500,000,000	25,000,000,000
Issued, Subscribed and Paid Up				
Equity Shares of ₹ 10 each	50,000	500,000	50,000	500,000
Total	50,000	500,000	50,000	500,000

Note 3

Funds from Govt of India (Adjustable)	As at 31 st March 2015 (₹)	As at 31 st March 2014 (₹)
Opening Balance of Funds from GOI	28,786,451,463	28,794,928,171
Adjustments during the Year (if any)	25,000	(8,451,708)
Transfer to Corporate Office	0	0
Total	28,786,476,463	28,786,476,463



Note 4

Reconciliation of number of shares outstanding at the beginning and at the end of the year	As at 31 st March 2015		As at 31 st March 2014	
	Number	Amount (₹)	Number	Amount (₹)
Shares outstanding at the beginning of the year	50,000	500,000	50,000	500,000
Shares outstanding at the end of the year	50,000	500,000	50,000	500,000

Note 5

Name of Shareholder holding more than 5% Shares	As at 31 st March 2015		As at 31 st March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
President of India through Dr. Saurabh Garg, JS(I&C), DEA, MoF	49,994	99.99	49,994	99.99
Total	49,994	99.99	49,994	99.99

Note 6

Reserves & Surplus	As at 31 st March 2015 (₹)	As at 31 st March 2014 (₹)
a. Capital Reserves		
Opening Balance	41,994,800	41,994,800
Closing Balance (a)	41,994,800	41,994,800
b. General Reserve		
Opening Balance	1,797,770,925	1,583,144,890
(+) Current Year Transfer	0	214,626,035
Closing Balance (b)	1,797,770,925	1,797,770,925
c. Surplus		
Opening Balance	26,758,157,650	25,328,726,794
Less: Dividend Distribution Tax of Earlier Year	12,873,784	-
Less: Adjustment related to Fixed Assets	339,724,360	0
Net Opening Balance	26,405,559,506	25,328,726,794
(+) Net Profit/(Net Loss) for the Current Year	(3,520,734,716)	2,146,260,350
(-) Transfer to Reserves	0	214,626,035
(-) Proposed Dividends	0	429,252,070
(-) Dividend Distribution Tax	0	72,951,389
Closing Balance (c)	22,884,824,790	26,758,157,650
Total (a+b+c)	24,724,590,515	28,597,923,375

Note 7

Other Long Term Liabilities	As at 31 st March 2015 (₹)	As at 31 st March 2014 (₹)
(a) Trade Payables - Non Current	10,908,027	10,908,027
(d) Others - Non Current	3,422,564	3,422,564
Total	14,330,591	14,330,591

Note 8

Long Term Provisions	As at 31 st March 2015 (₹)	As at 31 st March 2014 (₹)
(a) Provision for Employee Benefits		
Provision for Gratuity	726,211,190	627,611,326
Provision for Leave Encashment	1,979,092,705	1,737,692,878
Provision for Pensionary Charges Contribution	461,990,532	387,209,355
Provision for Ex-Gratia	5,530,727	5,647,868
Total	3,172,825,154	2,758,161,428

Note 9

Trade Payables	As at 31 st March 2015 (₹)	As at 31 st March 2014 (₹)
Trade Payables other than MSMED	3,040,020,264	4,120,661,982
Trade Payables Principal - MSMED	200,100,310	360,641,089
Total	3,240,120,574	4,481,303,071

Note 10

Other Current Liabilities	As at 31 st March 2015 (₹)	As at 31 st March 2014 (₹)
Advances to Employees	2,684,140	10,261,667
Advance from Customers	1,689,415,589	1,216,377,441
Earnest Money Deposit (EMD)	39,560,081	48,266,014
Security Deposits of Supplier/Vendor	83,480,177	144,420,414
Payable to PAO	6,020,473	6,366,700
TDS Payable	112,100,879	94,123,437
Sales Tax Payable	10,020,902	9,690,085
Excise Duty Payable	(16,465)	154,892
Service Tax payable	11,818,890	8,717,279
Salaries and Wages and other Employees Benefits Payable	274,076,153	196,707,070
Recovery from Salaries Payable to concerned Authorities	46,480,444	39,752,902
EPF/GPF Payable	(16,533,143)	25,987,461
Payable to SPMCIL Pension Trust	407,731,995	0
Expenses payable	398,250,678	221,994,249



Other Current Liabilities	As at 31 st March 2015 (₹)	As at 31 st March 2014 (₹)
Contribution to SPMCIL Pension Trust Payable	12,302,358	11,911,486
Pensionary Charges Payable	303,871,178	304,895,361
Bank Book Overdraft	164,516,622	8,574,608
Capital Goods Creditors	12,317,635	9,331,975
Others Current Liabilities	661,537,962	492,094,444
Inter Unit Balances		
IGM, Hyderabad	7,383,642,686	17,391,586,384
IGM, Kolkata	(135,949,681)	3,837,318,732
IGM, Mumbai	1,872,305,019	4,239,481,431
IGM, Noida	6,704,857,820	6,966,785,412
SPP, Hyderabad	149,505,358	923,380,927
SPM, Hoshangabad	(12,206,655,380)	(7,228,860,599)
BNP, Dewas	2,419,776,904	3,051,858,940
CNP, Nasik	1,268,276,834	3,805,194,315
ISP, Nasik	8,540,751,590	10,775,103,915
Corporate Office	(15,996,511,150)	(43,761,849,455)
Total	4,219,636,549	2,849,627,486

Note 11

Short Term Provisions	As at 31 st March 2015 (₹)	As at 31 st March 2014 (₹)
(a) Provision for Employee Benefits		
Provision for Leave Salary and Pensionary Charges	459,492,938	456,812,003
Provision for Gratuity	96,997,227	71,474,085
Provision for Ex-Gratia	526,681	175,451
Provision for Leave Encashment	372,402,521	170,668,651
Provision for Compensation in Lieu of Compassionate Appointment	88,883,572	84,557,102
Provision for ACP Arrear Payable	9,781,472	20,597,536
Other Employees Benefits Short Term Provisions	8,109,082	7,836,329
(b) Other Short Term Provisions		
Proposed Dividend	0	429,252,070
Dividend Distribution Tax	0	72,951,389
Provision for Taxation A.Y 2014-15	1,642,117,807	1,642,117,807
Provision for Taxation A.Y 2013-14	2,867,163,852	2,867,163,852
Other short term provisions	25,244,885	9,412,593
Total	5,570,720,036	5,833,018,868

Note 12 - Fixed Assets

Sl. No.	Fixed Assets	Gross Block			Accumulated Depreciation					Impairment		Net Block	
		Balance as at 1 April 2014	Additions	Deletions	Adjustments	Balance as at 31 March 2015	Balance as at 1 April 2014	Depreciation charge for the year	Adjustments	(On disposals)	Balance as at 31 March 2015	Balance as at 1 April 2014	Balance as at 31 March 2015
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
1. Tangible Assets													
	Land	47,569,729	0	0	0	47,569,729	0	0	0	0	0	47,569,729	47,569,729
	Lease Hold Land	21,583,673	0	0	0	21,583,673	2,258,625	277,575	0	0	2,536,200	19,325,048	19,047,473
	Buildings	1,013,142,162	48,785,740	0	(16,371,800)	1,078,299,702	473,125,466	14,547,260	(7,984,663)	0	495,657,388	540,016,697	582,642,314
	Factory Building	1,459,835,780	457,159,415	20,944	0	1,916,974,251	712,511,597	42,079,791	(66,554,246)	20,944	821,124,691	747,324,183	1,095,849,560
	Plant and Equipment	20,066,627,504	324,196,138	20,412,132	2,769,115	20,367,642,395	11,537,975,493	1,332,030,055	(138,557,427)	16,440,833	12,992,122,143	8,409,045,786	7,287,910,958
	Furniture and Fixtures	113,859,307	5,628,119	142,688	29,408	119,315,330	60,657,916	9,943,276	(3,812,898)	195,781	74,218,309	53,201,391	45,097,021
	Vehicles	151,213,091	2,264,527	3,643,529	(680,875)	150,514,964	128,466,709	5,524,986	(1,397,017)	3,643,529	131,745,183	22,746,382	18,769,781
	Office Equipment	103,042,317	10,035,411	51,573	(6,088,989)	119,115,143	51,587,639	13,270,924	(24,967,116)	355,174	89,470,506	51,056,662	29,246,622
	Computers and Printers	504,113,275	41,619,101	986,059	(208,112)	544,954,429	262,907,111	74,078,666	(91,937,205)	904,608	428,018,373	24,245	116,911,811
	Railway Siding	1,314,586	2,286,150	0	0	3,600,736	1,314,586	49,718	0	0	1,364,304	0	2,236,432
	Electrical Installations	336,494,691	240,484,732	402,072	5,860	576,571,491	159,354,030	45,664,294	(7,422,446)	160,682	212,280,089	177,140,661	364,291,402
	S&D Assets	3,310,134	0	0	0	3,310,134	43,518	313,894	0	0	357,412	0	2,952,722
	R&D Assets	32,927,788	2,372,513	0	(2,681,224)	37,981,524	2,718,995	2,981,026	(274,697)	0	5,974,718	30,208,792	32,006,806
	Total	23,855,034,036	1,134,831,845	25,658,997	(23,226,616)	24,987,433,501	13,392,921,685	1,540,761,466	(342,907,716)	21,721,551	15,254,869,315	10,342,083,886	9,644,532,631
	Previous Year	22,842,981,782	1,136,019,457	64,274,757	59,692,445	23,855,034,036	12,399,434,686	1,109,057,689	85,022,056	30,548,633	13,392,921,686	10,323,321,628	10,342,083,865
2 Intangible Assets													
	Computer software	244,457,844	1,875,708	0	0	246,333,552	157,447,772	23,897,892	0	0	181,345,664	87,010,072	64,987,888
	Total	244,457,844	1,875,708	0	0	246,333,552	157,447,772	23,897,892	0	0	181,345,664	87,010,072	64,987,888
	Previous Year	222,838,189	21,619,655	0	0	244,457,844	79,787,896	71,934,685	(5,725,191)	0	157,447,772	143,050,293	87,010,072
3 Capital Work In Progress													
	Capital Work In Progress	4,489,516,597	576,333,823	871,710,422	19,213,856	4,174,926,141	0	0	0	0	0	4,489,516,597	4,174,926,141
	Total	4,489,516,597	576,333,823	871,710,422	19,213,856	4,174,926,141	0	0	0	0	0	4,489,516,597	4,174,926,141
	Previous Year	1,057,888,083	4,085,141,598	685,876,453	(32,363,370)	4,489,516,597	0	0	0	0	0	1,057,888,083	4,489,516,597
	Grand Total	28,589,008,476	1,713,041,376	897,369,419	(4,012,760)	29,408,693,194	13,550,369,457	1,564,659,358	(342,907,716)	21,721,551	15,436,214,979	14,918,610,534	13,884,446,661
	Previous Year	24,123,708,053	5,242,780,709	750,151,211	27,329,076	28,589,008,476	12,479,222,583	1,180,992,374	79,296,865	30,548,633	13,550,369,458	11,524,260,003	14,918,610,533



Note 13

Non-Current Investments (Trade Investments)	As at 31st March 2015 (₹)	As at 31st March 2014 (₹)
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. [30,000,000 Shares @ ₹100 each]	3,000,000,000	3,000,000,000
Total	3,000,000,000	3,000,000,000

Note 14

Long Term Loans and Advances	As at 31st March 2015 (₹)	As at 31st March 2014 (₹)
a. Capital Advances		
Secured, Considered Good	0	4,654,500
Unsecured, Considered Good	4,084,314	17,747,173
Total (A)	4,084,314	22,401,673
b. Security Deposits		
Secured, Considered Good	0	57,950
Unsecured, Considered Good	13,359,292	13,359,292
Total (B)	13,359,292	13,417,242
c. Employees Loans and Advances		
Secured	89,026,069	96,548,900
Unsecured	148,895,152	172,942,344
Total (C)	237,921,220	269,491,244
Total (A+B+C)	255,364,826	305,310,159

Note 15

Other Non-current Assets	As at 31st March 2015 (₹)	As at 31st March 2014 (₹)
Long term trade receivables		
Unsecured, Considered Good	39,552,591	40,955,560
Doubtful	61,303,525	59,900,556
	100,856,116	100,856,116
Less: Provision for Trade Receivable	100,856,116	100,856,116
Total (A)	0	0



Other Non-current Assets	As at 31st March 2015 (₹)	As at 31st March 2014 (₹)
Non Moving Inventory	946,827,433	1,908,321,418
Less: Provision for Non-moving Inventory	53,379,437	65,648,384
Total (B)	893,447,996	1,842,673,033
Deposit with CISF	19,467,900	15,045,300
Deposit with Electricity Board	73,719,781	70,127,713
Deposit with Tax Authorities/other Departments	279,830,602	147,695,151
Other Receivables	9,215,986	9,215,986
Advances (others)	20,130,051	54,147,113
Total (C)	402,364,320	296,231,263
Total (A+B+C)	1,295,812,316	2,138,904,297

Note 16

Current Investments (Non-Trade)	As at 31st March 2015 (₹)	As at 31st March 2014 (₹)
UTI Treasury Advantages Fund (F.Y. 2014-15) (992129.946 units @ 1002.3540) [Market Value and Value at cost as on 31.03.2014 ₹716,027,955/-]	994,465,420	716,027,955
Total	994,465,420	716,027,955

Note 17

Inventories	As at 31st March 2015 (₹)	As at 31st March 2014 (₹)
Raw Materials and Components	7,654,719,110	5,186,085,109
Raw Material in Transit	329,222,336	1,217,619,899
Goods in Transit	325,147,111	315,982,144
Work-in-Progress	3,489,716,482	2,794,074,352
Finished Goods	1,274,340,114	848,522,100
Stores and Spares	779,437,258	549,759,971
Scrap	662,193,850	562,175,287
Other Inventory	23,690,891	19,962,375
Total	14,538,467,151	11,494,181,238



Note 18

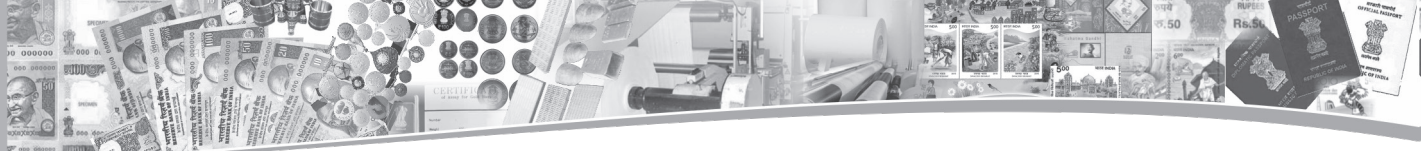
Trade Receivables	As at 31 st March 2015 (₹)	As at 31 st March 2014 (₹)
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, Considered Good	5,091,492,229	4,664,702,598
Unsecured, Considered Doubtful	0	0
Total (A)	5,091,492,229	4,664,702,598
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	8,519,379,523	16,545,970,902
Unsecured, Considered Doubtful	1,797,094,757	2,208,430,042
	10,316,474,280	18,754,400,944
Less: Provision for Trade Receivable	1,797,094,757	2,208,430,042
Less: Provision for Rate Differences	3,188,201,332	5,978,467,499
Total (B)	5,331,178,191	10,567,503,403
Total (A+B)	10,422,670,419	15,232,206,001

Note 19

Cash and Bank Balances	As at 31 st March 2015 (₹)	As at 31 st March 2014 (₹)
a. Cash and Cash Equivalents		
Balances with Banks	2,628,970,118	333,719,110
FDR with Banks (excluding pledged FDRs) with Maturity Less than 12 Months from the Balance Sheet Date	10,280,000,000	13,529,200,000
Cheques, Drafts on Hand	95,684	102,383
Cash in Hand	716,195	430,531
Postage in Hand	322,542	132,919
Total	12,910,104,539	13,863,584,943

Note 20

Short-term Loans and Advances	As at 31 st March 2015 (₹)	As at 31 st March 2014 (₹)
Unsecured Considered Good		
Loan and Advances to Employees	49,396,322	101,053,993
Deposits with Other Departments	177,620	732,238
Amount Receivable from EPF Trust	85,811,814	92,400,032
Amount Receivable from Pension Trust	96,497,786	97,095,218
Leave Encashment Receivable from Govt of India	0	760,790,046



Short-term Loans and Advances	As at 31st March 2015 (₹)	As at 31st March 2014 (₹)
Advances to Supplier	984,966,958	2,054,935,344
Advances to PAO	6,384,973	9,571,571
Advances to CPWD	87,618,180	80,203,545
Advances to BSNL (Civil Work)	2,394,231	624,319
Advances (Others)	6,388,926	2,052,245
Excise Duty PLA Balance	440,553	551,103
Excise Duty CENVAT	3,006	0
CST Refund Receivable	18,429,157	18,429,157
VAT/Sales Tax Receivable	117,296,631	95,528,147
MVAT Refund Receivable	11,009,564	11,009,564
Advance Income Tax A.Y 2015-16	2,030,000,000	0
Advance Income Tax A.Y 2014-15	2,170,000,000	2,170,000,000
Advance Income Tax A.Y 2013-14	2,800,000,000	2,800,000,000
TDS A.Y 2015-16	7,502,724	0
TDS A.Y 2014-15	865,248	1,115,751
TDS A.Y 2013-14	1,744,602	1,051,770
Income Tax Refund Receivable AY 2009-10	195,369,005	195,369,005
Income Tax Refund Receivable AY 2011-12	701,250	701,250
Income Tax Refund Receivable AY 2012-13	160	160
Prepaid Expenses	15,388,589	7,401,324
Others Short Term Loans and Advances	76,842	101,842
Total	8,688,464,142	8,500,717,623
Less: Provision for Doubtful Advances	0	1,937,607
Total	8,688,464,142	8,498,780,016

Note 21

Other Current Assets	As at 31st March 2015 (₹)	As at 31st March 2014 (₹)
Interest Receivable on FDR	2,862,548	21,056,491
Asset Held for Disposal	1,297,265,535	14,812,425
PAO/C&C DEA Ministry of Finance (EPF)	90,197,572	90,197,572
PAO/C&C DEA Ministry of Finance (GPF)	81,194,533	81,194,533
Commemorative Coins	184,157	154,890
Other receivables	35,818,112	11,387,788
Total	1,507,522,457	218,803,698



Note 22

Revenue from Operations	Year ended 31 st March 2015 (₹)	Year ended 31 st March 2014 (₹)
Sale of Products (Gross)		
Sale of Notes	14,391,450,000	13,497,950,000
Sale of Coins	20,123,262,772	16,823,482,255
Sale of Medals and Commemorative Coins	269,359,948	363,470,969
Sale of Passport & Allied	3,389,475,725	2,089,919,540
Sale of Postal Items	277,451,231	372,129,035
Sale of Non Postal Items	385,195,595	348,626,215
Sale of NJSP	4,108,392,601	3,646,108,372
Sales-Others	1,093,533,531	814,197,218
Total (A)	44,038,121,403	37,955,883,603
Sale of Services		
Job Work	41,900,071	17,067,226
Other Services	3,783,033	3,238,689
Total (B)	45,683,104	20,305,915
Other Operating Revenues		
Sale of Scrap	1,023,800,822	1,029,585,840
Other Operating Activities	6,561,278	4,588,648
Total (C)	1,030,362,100	1,034,174,488
Gross Total D (A+B+C)	45,114,166,607	39,010,364,006
Less: Excise Duty (E)	19,672,706	35,051,364
Total (D-E)	45,094,493,901	38,975,312,642
Revenue from Operations	45,094,493,901	38,975,312,642

Note 22A

Rate Difference of Earlier Years Sales	Year ended 31 st March 2015 (₹)	Year ended 31 st March 2014 (₹)
Rate Difference of Postal Items	(714,481,849)	0
Rate Difference of Circulating Coins	(10,905,907,704)	0
Total	(11,620,389,553)	0

Note 22B

Provision Written Back	Year ended 31 st March 2015 (₹)	Year ended 31 st March 2014 (₹)
Provision Written Back of Postal Items	518,432,239	0
Provision Written Back of Circulating Coins	4,005,649,499	0
Others	35,272,866	52,992,761
Total	4,559,354,604	52,992,761

Note 23

Other Income	Year ended 31 st March 2015 (₹)	Year ended 31 st March 2014 (₹)
Interest Income (Net)	675,586,058	1,089,119,114
Dividend Income	18,437,464	35,406,897
Foreign Exchange Fluctuation Gains	228,428,881	22,571,522
Profit on Sale of Fixed Assets	1,164,523	259,259
Other Non-operating Income (Net of Expenses directly attributable to such Income)	157,764,282	194,396,891
Total	1,081,381,209	1,341,753,684

Note 24

Manufacturing Cost	Year ended 31 st March 2015 (₹)	Year ended 31 st March 2014 (₹)
Cost of Raw Materials Consumed	25,443,318,098	22,682,560,010
Total	25,443,318,098	22,682,560,010

Note 25

Changes in Inventories of Finished Goods, Work in Progress and Scrap	Year ended 31 st March 2015 (₹)	Year ended 31 st March 2014 (₹)
Closing Stock		
Finished Goods	1,274,340,114	848,522,100
Goods in Transit	325,147,111	315,982,144
Work in Progress	3,489,716,482	2,794,102,591
Scrap	662,193,850	562,175,287
Total (A)	5,751,397,557	4,520,782,122
Opening Stock		
Finished Goods	848,522,100	460,606,849
Goods in Transit	315,982,144	0
Work in Progress	2,794,102,591	2,333,890,339
Scrap	562,175,287	387,781,623
Total (B)	4,520,782,122	3,182,278,810
Changes in Inventories of Finished Goods and Work in Progress (A-B)	(1,230,615,435)	(1,338,503,311)

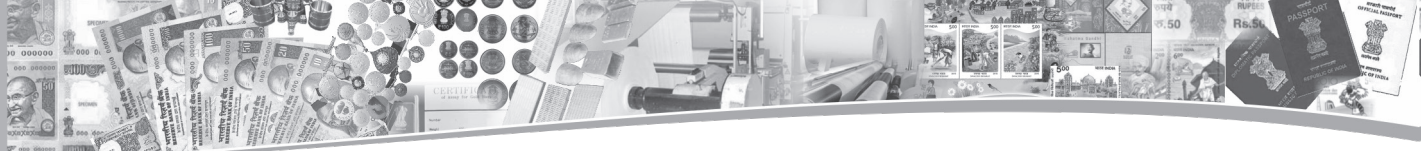


Note 26

Employee Benefits Expense	Year ended 31st March 2015 (₹)	Year ended 31st March 2014 (₹)
Salaries, Wages and Allowances	5,640,776,789	5,094,406,207
Overtime	1,382,594,332	1,258,518,623
Incentive	1,634,514,602	1,275,117,960
LTC	56,823,378	68,044,699
Medical	195,677,730	162,608,399
Employer Contribution to EPF	352,228,008	323,835,545
Leave Salary & Pensionary Charges contribution	99,554,198	35,896,235
Contribution to SPMCIL Pension Trust	86,632,973	75,558,729
Leave Encashment	879,463,595	653,781,651
Gratuity	206,320,582	257,976,839
Staff Welfare Expenses	11,578,225	24,126,881
Other Employee Benefits	109,832,314	164,654,032
Total	10,655,996,726	9,394,525,799

Note 27

Other Expenses	Year ended 31st March 2015 (₹)	Year ended 31st March 2014 (₹)
(A) Other Manufacturing Expenses		
Consumption of Stores, Spare Parts and Components	861,301,366	644,546,859
Power, Fuel and Water	633,441,187	571,373,669
Repairs & Maintenance to Machinery	46,520,934	54,092,308
Repairs & Maintenance to Factory Building	112,699,471	108,027,752
Packing Expenses	115,087,246	100,736,189
Other Manufacturing Cost	39,293,119	45,967,117
Total (A)	1,808,343,323	1,524,743,894
(B) Administrative Expenses		
Advertising Expenses	41,189,961	41,030,193
Commission (Auction & Other)	29,262,137	28,782,646
Audit Fees	3,395,203	3,291,277
Bank Charges	397,094	420,718
Canteen Expenses (Net of Receipts)	22,763,119	19,391,803
Dispensary Expenses	38,750,248	34,661,987
Environmental Charges	6,370,634	6,758,533
Fees & Honorarium	916,073	5,790,636
Freight Outwards	116,807,118	111,247,061



Other Expenses	Year ended 31 st March 2015 (₹)	Year ended 31 st March 2014 (₹)
Foreign Exchanges Fluctuation Losses	57,141,083	63,867,173
Grants in Aid Expenses	628,550	521,840
Loss on Sale/Discard of Assets	(247,062)	36,623,701
Guest House Expenses (Net of Receipts)	4,573,370	5,488,502
Hiring of Staff	49,676,966	36,979,999
Horticulture Expenses	6,216,318	6,796,155
Hospitality & Entertainment	7,206,537	10,835,389
Legal & Professional Charges	52,804,929	47,180,631
Meeting Expenses	686,364	1,067,609
Misc. Expenses	2,792,341	14,377,825
Office Expenses	13,422,276	13,007,198
Postage & Courier Expenses	3,619,612	5,403,222
Printing & Stationery Expenses	8,006,819	10,965,798
Research & Development Expenses	7,424,324	18,455,915
Repair & Maintenance- Building	139,568,325	89,713,402
Repair & Maintenance- Computers	53,244,661	61,869,866
Repair & Maintenance- Others	123,278,710	77,782,345
Rent	58,707,859	55,602,678
Insurance	18,429,196	30,876,913
Rates & Taxes	22,848,616	10,516,967
Security Charges	967,987,609	822,756,202
Seminar & Training Expenses	7,042,405	8,014,452
Service Tax Paid/ Sales Tax	6,922,401	3,988,881
Subscription, Newspaper, Books & Periodicals	2,025,658	1,254,661
Sustainable Development	788,008	0
Telephones & Internet Charges	20,671,094	19,845,823
Travelling & Conveyance Expenses	49,901,570	50,627,773
Travelling Expenses Foreign	7,019,542	4,570,186
Uniform & Liveries	3,165,465	2,794,916
Corporate Social Responsibility (CSR) Exp.	80,413,975	39,600,919
Vehicle Hiring/ Maintenance Charges	24,248,873	16,195,957
Water & Electricity Charges	50,813,027	41,004,066
Other Expenditure	23,888,002	14,928,380
Total (B)	2,134,769,010	1,874,890,199



Note 28

(C) Provision Created During the Year	Year ended 31st March 2015 (₹)	Year ended 31st March 2014 (₹)
Provision for Trade Receivable/Advances	1,302,797	225,573,985
Provision for Obsolete / Non-moving Inventory / Shortage	12,225,704	17,502,034
Provisions for Disputed Claims	305,405,087	0
Provision for Rate Differences of Coins and Postals	0	1,442,785,724
Provision for Rate Differences of Bank Notes	1,214,501,000	0
Total (C)	1,533,434,588	1,685,861,743
Total (A+B+C)	5,476,546,920	5,085,495,836

Note 29

Prior Period Expenditure	Year ended 31st March 2015 (₹)	Year ended 31st March 2014 (₹)
Bonus to Employees	0	717,499
Expenses of Earlier Years	692,936	637,550
Insurance Expenses	4,271,353	0
Other Prior Period Expenditures	63,190,747	70,225,983
Total (A)	68,155,036	71,581,032
Prior Period Income		
Provision for Depreciation Written Back	0	1,957,283
Other Prior Period Incomes	13,539,386	171,622,467
Total (B)	13,539,386	173,579,750
Net Prior Period Income / (Expenses)	(54,615,650)	101,998,718

Note 30

Payments to the Auditor as	Year ended 31st March 2015 (₹)	Year ended 31st March 2014 (₹)
a. Auditor	1,754,474	1,710,681
b. For Taxation Matters	1,408,631	1,202,252
d. For Reimbursement of Expenses	121,743	141,509
Total	3,284,848	3,054,442



Note 31

Consumption of Raw Material under Broad Heads	Year ended 31 st March 2015 (₹)	Year ended 31 st March 2014 (₹)
CWBN Paper	7,320,040,682	6,783,092,137
Security Paper	2,864,263,497	2,319,089,398
Ink	2,148,108,000	1,660,535,684
FSS Coil	2,923,843,957	3,003,259,716
NiBR Coil	4,227,433,981	4,539,933,451
FSS Blanks	1,882,819,374	1,918,510,100
NiBR Blanks	135,337,018	1,072,894,504
Bi-Metallic ₹10 Blanks	6,551,437,593	4,099,714,405
Chemicals	64,297,820	44,205,895
Security Fiber	26,136,530	22,959,085
Security Thread	46,662,757	60,134,982
M-Feature	676,681	0
Furnace Oil	714,642,390	155,915,401
Bleached Cotton Linter	43,893,971	27,006,344
Comber	297,986,948	283,879,640
Other	106,293,499	521,530,397
<i>Less: Inter Unit Transfer</i>	3,910,556,600	3,830,101,128
Total	25,443,318,098	22,682,560,010

Note 32

Work in Progress under Broad Heads	As at 31 st March 2015 (₹)	As at 31 st March 2014 (₹)
W.I.P of Notes & Inks	2,139,965,559	1,588,513,140
W.I.P of Coins / Blanks	481,442,812	561,232,935
W.I.P of Security Paper	277,478,392	120,383,450
W.I.P of Postal Items	10,008,869	2,866,858
W.I.P of Non-Postal Items	322,236,041	295,624,262
W.I.P of Travel Documents	118,843,804	118,805,478
WIP Others	139,741,005	106,648,230
Total	3,489,716,482	2,794,074,353



Note 33

Value of Imports Calculated on C.I.F basis by the Company During the Financial Year in Respect of : (On Accrual Basis)	Year ended 31 st March 2015 (₹)	Year ended 31 st March 2014 (₹)
1. Raw Materials	10,129,646,643	7,834,583,434
2. Stores, Components and Spare Parts	494,925,093	172,484,063
3. Capital Goods	419,354,252	754,524,479
Total	11,043,925,988	8,761,591,976

Note 34

Expenditure in Foreign Currency during the Financial Year on Account of : (On Accrual Basis)	Year ended 31 st March 2015 (₹)	Year ended 31 st March 2014 (₹)
1. Foreign Magazine	0	48,759
2. Foreign Travel	2,168,716	689,407
Total	2,168,716	738,166

Note 35

Consumption of Imported Raw Material, Stores, Spare Parts and Components as compared to Indigenous Raw Material, Stores, Spare Parts and Components (Including Consumption on Account of Inter Unit Transfers)	Year ended 31 st March 2015 (₹)	Year ended 31 st March 2014 (₹)
Total Value of all imported Raw Material Consumed (A)	9,242,989,847	8,183,345,501
Total Value of all Indigenous Raw Material Consumed (B)	20,110,884,851	18,329,314,955
Total (A+B)*	29,353,874,698	26,512,660,455
% of A to total (A+B)	31	31
% of B to total (A+B)	69	69
Total Value of all Imported Stores, Spare Parts & Components Consumed (C)	288,376,263	122,880,585
Total Value of all Indigenous Stores, Spare Parts & Components Consumed (D)	347,306,447	294,742,036
Total (C+D)	635,682,710	417,622,621
% of C to total (C+D)	45	29
% of D to total (C+D)	55	71

Note 36

Earnings in Foreign Exchange Classified under the following heads, namely:-	Year ended 31 st March 2015 (₹)	Year ended 31 st March 2014 (₹)
Other Income	228,428,881	22,571,522
Total	228,428,881	22,571,522

Note 37 Contingent Liabilities and Commitments

Contingent Liabilities and Commitments (to the extent not provided for)	As at 31 st March 2015 (₹)	As at 31 st March 2014 (₹)
(I) Contingent Liabilities		
(i) Claims against the Company not Acknowledged as Debt (Excluding Legal Cases where Amounts are Unascertainable)		
(a) Cases filed by Employees/Workers	1,908,405,265	1,646,709,000
(b) Cases filed by Suppliers	108,299,282	50,680,068
(c) Octroi Penalty	2,387,951,690	2,387,951,690
(d) Demand of VAT on Currency, Coins, Misc Sales & Misc.	2,440,064,424	2,440,064,424
(e) Sales Tax Dispute	4,326,822,984	3,41,97,21,434
(f) Service Tax	178,499	5,859,677
(ii) Commercial Tax (Entry Tax)	622,448,744	292,020,499
(iii) Letter of Credit issued by Banks	1,850,341,062	1,154,358,111
(iv) Income Tax	0	599,000
(vi) Others	131,451,372	160,834,895
Total	13,775,963,322	11,558,798,797
(II) Commitments		
(i) Estimated Amount of Contracts remaining to be executed on Capital Account and not provided for	826,343,660	623,624,131
Total	826,343,660	623,624,131
Grand Total (₹) (I+II)	14,602,306,982	12,182,422,928

The Company is in receipt of Show Cause Notices/Demand Notices/Assessment Orders from Andhra Pradesh Commercial Tax Department to the tune of ₹244 Crores towards Sales Tax on the Sale of Circulation Coins, difference in Sales Tax on sale of other items, interest and penalty thereon from April 2006 to November 2013. However, the Company Management has gone through the Show Cause Notices and is of the opinion that Currency & Coins are not covered under the definition of Goods as per the Sales of Goods Act, 1930, where in Money is excluded under the definitions of "Goods", so no Sales Tax is payable to the Coins delivered to Reserve



Bank of India. Also the issue is pending with Commissioner, Commercial Taxes, and Government of Andhra Pradesh, who have in turn put-up a proposal to the Government of Andhra Pradesh, to bring the Currency Coins under the Exempted Goods under Schedule-I of Andhra Pradesh VAT Act. The Government of Andhra Pradesh has principally agreed and issued exemption notification in this regard circulation of Coins from Levy of Sales Tax in July 2013 making it effective from 9th July 2013. On the request of Unit, one more proposals has been sent by the Commissioner of Commercial Taxes, Department to Andhra Pradesh Government making it effective from 1st April 2005 which is under their consideration.

Note 38 Withdrawn Coins

Withdrawn coins are received in the Mints for melting. These are received by Mints from Government of India and Mints Act as custodian to it. After melting, metal is auctioned on behalf of Government of India. Metal value of the stock is given cognizance as credit to Government after levying processing charges of melting etc. Practice being followed in the Mints has been formalized through detailed guidelines.

Note 39 Disclosure pertaining to Micro, Small and Medium Enterprises

The identification of the Micro, Small and Medium Enterprise in terms of the Micro, Small and Medium Enterprises Development Act, 2006 has been made except to the extent information not received by IGM, Hyderabad.

The Management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of Micro, Small and Medium Enterprises, as define under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of amount payable to such enterprises as at 31st March 2015 has been made in the financial statements on the basis of information received and available with the Company. Further, in view of the Management, the impact of interest if any that may be payable in accordance with provision of the Act is not expected to be material, therefore provision for the same has not been made in books of accounts.

Note 40 Fixed Assets

- a) As per the Government decision, all the Assets and Liabilities of nine units as on 10.02.2006 has 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 the Government Units.
- b) 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 revised / remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted, in the opening balance of Profit and Loss Account amounting to ₹33.97 crore.
- c) Physical verification of Fixed Assets during the financial year 2014-15 has not been carried out at SPM, Hoshangabad due to implementation of new paper project.

Note 41 Lease Premium (IGM, Noida)

The land at Sector-1 and Sector-23 held by IGM, Noida are taken on long term lease of 99 years w.e.f. 3rd May, 1985 and 90 years w.e.f. 12th May, 1993 respectively from Noida Authority which continued to be reflected at the premium paid for lease in the Government Account and was not amortized over the period of lease. Now in term of AS-19 regarding accounting of leases, the basic premium paid for acquiring the lease is written off over the balance period of the lease starting from 10.02.2006 i.e. date on which all Assets and Liabilities transferred to the Company, and ending on the date of termination of lease as per the lease deeds.

Note 42 Precious Metals at Mints

Mints at Mumbai, Kolkata and Hyderabad have huge stocks of Gold, Silver and other precious metals older than more than 10 years which is 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 market value of the same. The precious metals which is not required in manufacturing in immediate future has been transferred to Assets held for disposal under Other Current Assets in pursuance of direction of the Board to dispose all surplus inventories of precious metals quickly.

Note 43 Employee Benefits

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 the Company or Government of India as per Rule 37-A of Central Civil Services (Pension) Rules, 1972. Permanent absorption has been notified by Government 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

- (a) **Employee Provident Fund (EPF):** For EPF, a trust has been established and relaxation has been granted by Employees Provident Fund Organization in the month of December, 2009. This trust became operational w.e.f. April, 2010 and now in 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 this 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 Provident Fund Regulatory Authority. 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. This trust became operational w.e.f. April, 2011. From 1st April, 2011 employee's contribution is being made to the Trust. There is only employee contribution in this fund 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 pensionary contribution to the trust in respect of the Combined Optees 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 ₹10 lacs on superannuation, resignation, termination, disablement or on death. 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 who accrue six monthly 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 also permitted to encash 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.

Disclosure pursuant to AS-15
(₹ in Crores)

Sl.No.	Particulars	Gratuity	Leave
A	Net Liability recognized in the Balance Sheet at 31st March, 2015		
	Present Value of Unfunded Obligation	82.32	235.15
	Net Liability	82.32	235.15
B	Expense recognized in the Statement of Profit and Loss for the Year		
	Current Service Cost	13.17	9.70
	Interest on Obligation	6.23	17.18
	Net Actuarial Losses (Gains) recognized in the Year	(0.73)	45.00
	Total included in Employee Benefit Expense	18.73	61.07



Sl.No.	Particulars	Gratuity	Leave
C	Changes in the Present Value of Defined Benefit Obligation Representing Reconciliation of Opening and Closing Balance thereof:		
	Opening Defined Benefit Obligation	69.91	190.84
	Service Cost	13.17	9.70
	Interest Cost	6.23	17.18
	Actuarial Losses/(Gains)	(0.73)	45.00
	Benefits Paid	(6.32)	(43.63)
	Closing Defined Benefit Obligation	82.32	235.15
D	Changes in the fair value of plan Assets representing reconciliation of opening and closing balances thereof:		
	Opening Fair Value of Plan Assets	-	-
	Expected Return	-	-
	Actuarial Gains/(Losses)	-	-
	Contribution by Employer	-	-
	Benefits paid	-	-
	Closing Balance of Fair Value of Plan Assets	(6.32)	(43.63)
E	Principal Actuarial Assumptions at the Balance Sheet Date (expressed as weighted averages)		
	Discount Rate	7.95%	7.95%
	Expected Return on Plan Assets	-	-
	Attrition Rate	1.00%	1.00%
	Annual Increase in Salary Costs	6.50%	6.50%
Note: The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.			

Note 44 Segment Reporting

In the opinion of management segment reporting as envisaged in AS-17 is not applicable as risks and returns associated with product categories are not different. As more than 90% of Sale of Products during the year supplied to Ministries of Government of India on cost plus basis. Further the Company is engaged in sovereign function of manufacturing of security products.

Note 45 Provisions

The provision have been recognized when the company has obligation as a result of past event and it is probable that an outflow of the resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. Provisions are not discounted to its present value and are determined based on management estimates required to settle the obligation at the balance sheet date. No provision is recognized



for Liabilities whose future outcome cannot be ascertained with reasonable certainties. Such contingent Liabilities are not recognized but are disclosed on the basis of the judgment of the management. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

Note 46 Related Party Transaction

List and Transactions of related parties as per Accounting Standards–18 ‘Related Party Disclosure’ issued by the Institute of Chartered Accountants of India;

Name of the Party	Relationship
Bank Note Paper Mill India Private Ltd.	Joint Venture

Joint Venture: 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 project is under implementation as on 31st March, 2015. The company has contributed a sum of ₹300 Crores towards 50% capital contribution. Company has been allotted 30,000,000 equity shares of ₹100 each aggregating to ₹300 Crore till 31.03.2015.

(₹ in Crores)

Transaction	2014-15	2013-14
Capital Contribution	NIL	NIL
Conversion of Share Application Money to Capital	NIL	NIL
Share Application Money (Pending Allotment)	NIL	NIL

Proportion of ownership in Joint Venture as per audited accounts for the Financial Year 2014-15 is as under (50%):-

Particulars	As on 31.03.2015 (Audited) (₹ in Crores)	As on 31.03.2015 (Audited) (₹ in Crores)
a) Contribution towards Equity	300.00	300.00
b) Deputation of Employee Cost	0.00	0.00

Aggregate amount of Company’s interest in Joint Venture as per audited accounts for the F.Y. 2014-15 is as under (50%):-

Particulars	As on 31.03.2015 (Audited) (₹ in Crores)	As on 31.03.2014 (Audited) (₹ in Crores)
Equity (Share Holders Fund)	298.35	298.38
Share Application Money	-	-
Non-Current Liabilities	296.81	91.35
Current Liabilities	46.59	21.77
Non-Current Assets	578.80	319.76
Current Assets	53.94	91.72



Particulars	As on 31.03.2015 (Audited) (₹ in Crores)	As on 31.03.2014 (Audited) (₹ in Crores)
Revenue	-	-
Cost of Material Consumed	-	-
Depreciation of Plant and Machinery	-	-
Employee Benefit Expenses	-	-
Other Expenses	-0.02	-0.02
Profit Before Tax	-0.02	-0.02
Income Tax Expenses	-	-
Profit After Tax	-0.02	-0.02

Estimated value of Contracts remaining to be executed on Capital Account and not provided for (50% Liability):-

(Amount in ₹ Crore)

Particulars	As on 31.03.2015	As on 31.03.2014
Current Year - 2014-15	84.42	302.22

Contingent Liability in Joint Venture Company (50%) – ₹27,606,165.50

Key Management Personnel:

- Shri M.S. Rana, Chairman and Managing Director
- Shri P. N. Radkar, Director (Technical)
- Dr. Manoranjan Dash, Director (HR)
- Shri. S. K. Jha, CVO

There are no transactions with key Management Personnel during the year, except as given below. There are no other transactions with related parties as defined in AS-18.

The gross remuneration to Key Management Personnel who have been the full-time Directors of the Company is as under:

(Amount in ₹)

Particulars	2014-15	2013-14
Salary and Allowances	7,822,501	6,645,911
Contribution to PF / Pensionary Charges	2,402,314	591,629
Leave Encashment	3,088,099	276,260
Lease Rent & Other Perks	6,802,760	4,433,015
Gratuity	789,704	319,714
Total	20,905,378	12,266,529



Note 47 Earnings Per Share

Particulars	2014-15	2013-14
Profit After Tax (₹)	(3,520,734,715)	2,146,260,351
No. of Shares Outstanding	50,000	50,000
Basic/Diluted Earnings per Share (₹)	(70,415)	42,925

Note 48 Deferred Tax

The significant components and classification of deferred tax Asset and Liabilities on account of temporary difference during the financial year 2014-15 are:

Particulars	(Amount in ₹)
Opening Balance of Deferred Tax Assets	2,934,932,441
Add: Deferred Tax Assets (Net) created During the Year	(703,050,489)
Closing Balance of Deferred Tax Assets	2,231,881,952

In the opinion of Board of Directors, Current Assets, Loan & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

Note 49 Transactions in Foreign Currencies

Transactions in foreign currencies are accounted for at prevailing rates on the date of transaction. All exchange rate differences in respect of foreign currency transactions are dealt with in the Profit & Loss Account except those relating to acquisition of Fixed Assets, which are adjusted in the cost of the Assets.

Note 50 Gold lying with RBI

85,555 gms. of Gold lying with RBI. Out of the above, Gold weighing 10,336 gms. was already accounted for in 2006-07, under the head Gold with RBI, the possession of which is with RBI. As regards the balance 75,219 gms, IGM, Mumbai, has received a letter from RBI dated 06.06.2008, Ref No. By.Cy.No. 5047/01.11.044/2007-08 that the Gold is held by them on behalf of Public Debt Office, RBI Mumbai. Therefore, this Gold does not belong to the Unit, and hence the same has not been considered in the Accounts.

Note 51 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 52 Funds from Govt. of India (Adjustable)

As per the Government of India decision, all the Assets and Liabilities of Govt. of India Presses, Mints and Mills working under Department of Economic Affairs, Ministry of Finance as on 10.2.2006

has been transferred to the Company. Assets and Liabilities have been taken on book value. Assets and Liabilities prevailing as on 09.02.2006 were taken over on 10.02.2006 in the books of the Company on the basis of available information. The difference between value of all Assets and Liabilities as on 10.02.2006 represents the amount of funds from Government arising out of such transfer of Assets and Liabilities. The difference arising will be paid/adjusted as decided by Ministry of Finance.

As per the letter No. 3/2/2008-Cy.III/SPMC dated 09.02.2015 the Capital Structure of the above difference has finalized w.e.f. 01.04.2015 (Letter No. 3/2/2008-Cy.III/SPMC dated 24.07.2015). As per the Capital Structure out of ₹2859.79 Crores, ₹1182.44 has been divided into Equity and ₹1182.44 has been divided into Repayable Loan and Balance ₹334.00 crores will be transferred to Capital Reserve. As per the Department of Economic Affairs O.M. dated 12.11.2003, the interest on the loan component is 11.5% per annum.

Note 53 Slow Moving / Non-Moving Inventory

- (a) Company is holding stock of slow and non-moving items like stock of CN Coils, PN cathodes, stock of pure Nickel etc. aggregating to ₹184.66 Crores (Previous Year ₹190.36 Crores). Provision of ₹5.34 Crores (Previous Year ₹6.65 Crores) has been created against those obsolete/non-moving items where market value is less than the book value.
- (b) The Company is holding inventories of CWBN paper of ₹302,786,548 at its Unit at CNP Nasik, and BNP Dewas which is lying unutilized since Financial Year 2010 due to the reason that paper supplied by the firm M/s. De La Rue, U.K. was found of inferior quality and hence the same was not used for printing of Bank Notes by BRBNMPL and SPMCIL presses. These paper were procured by M/s. BRBNMPL the nodal procurement agency for procurement of Security Paper for SPMCIL as well as for M/s. BRBNMPL for which it was holding a bank guarantee furnished by firm of Euro 1.85 Crores. In April 2015, M/s. BRBNMPL has invoked this bank guarantee after following the due process of law and got ₹124 Crores from bank. BRBNMPL had vide letter no. BNM No. 412/40/_1.14/2015-16 dated 20.05.2015 informed that the Govt. of India has directed that this CWBN paper supplied by M/s. De La Rue, U.K. held in stock cannot be used for printing of bank notes. Therefore, it is necessary to destroy the entire stock of paper held at both presses. The inventories lying both at the unit of SPMCIL & BRBNMPL is now to be disposed in the presence of representative of M/s De La Rue, U.K. and a Committee constituted by Govt of India.

In view of the above, the same has been shown as assets held for disposal for ₹302,786,548 under Note 21 "Other Current Assets".

Note 54 Discontinued Operations at Saifabad Unit (Discontinued IGM)

IGM, Hyderabad has discontinued minting operations of its Saifabad Unit, Hyderabad with effect from 01.11.2009. Net Block of Fixed Assets with the Unit as on 31.03.2015 is ₹516,973.00 after making Provision for Depreciation ₹85,065.81 for the Current Financial Year. However, it is difficult to ascertain the impact of discontinuing its operations, as separate books of accounts are not being maintained relating to the said Unit.



Note 55 Research and Development

The details of R&D expenses are given below: *Amount in ₹*

Sl.No.	Particulars	2014-15	2013-14
1.	Capital Expenditure	2,372,513	8,835,975
2.	Revenue Expenditure	7,424,324	18,455,915
	Total	9,796,837	27,291,890

Note-56 Accounting Treatment for Shop Floor Inventory

As per the prevalent practice the imported spare parts/stores issued from main stores to security stores situated at Shop Floor are accounted as consumed irrespective of its actual consumption in the process of production. The imported spare parts not actually consumed at the year-end and lying at the Shop floor have not been returned to the stores and consequently not reversed to stores inventory. Hence, the value of unused / unconsumed spares at Shop Floor at the year-end is incorporated in the Work in Progress.

Note-57 Expenditure incurred towards Corporate Social Responsibility & Sustainable Development

During the year, the Company has incurred an amount of ₹80,413,975 on CSR. CSR activities include expenses incurred for the purpose of construction of new School Building, work related to repair of Road, Plantation of Trees, Drinking Water, Health equipments as well as services, contribution in relief funds, Swachh Bharat Mission, Clean Ganga Fund and other basic amenities. During the year the company has incurred ₹788,008 towards Sustainable Development as a balance approach to achieve economic development, social progress and responsible environment management.

Note-58 Rate Difference of Earlier Years

Due to Finalisation of CAB Rate for Currency, Coins & Postal Items the sales of earlier years has been revised and the difference of the sales has considered in Profit & Loss Account as rate difference for earlier years. The details are as follows:-

Amount in ₹ Crores

Sl.No.	Financial Year	Postal Items	Circulating Coins
1.	2006-07	(2.68)	-
2.	2007-08	(2.75)	-
3.	2008-09	(23.38)	(157.71)
4.	2009-10	(35.04)	(325.87)
5.	2010-11	(6.14)	(211.36)
6.	2011-12	4.77	(189.41)
7.	2012-13	0.38	(206.23)
8.	2013-14	(6.62)	-
	Total	(71.45)	(1,090.59)

Note 59 During the year a provision of ₹121.45 Crores has been created towards outstanding balance of Bank Notes pertaining to year 2011-12 representing debit note raised to RBI for increase in price of Bank Notes. As the amount has been outstanding for more than 3 years and as per accounting policy of the company a provision for the same is required to be created, hence a provision has been made.

Note 60 The previous year's figures have been recast / restated / reclassified, wherever necessary, to confirm to current year's classification.

Note 61 Revenue is recognized inclusive of applicable Sales Tax, Excise duties and levies in respect of sale of Coins, Passport and Postal Items, weights and measures and medals etc. is recognized on dispatch. Job work charges are recognized upon approval of the job by client and dispatch thereof. Sale of currency notes is recognized on acknowledgement of goods receipt by Customers. Sale of major products have been recognized in the books of accounts in Financial Year 2014-15 as follows:-

- The sale of Circulating Coins has been accounted for at CAB Rate (2012-13) duly approved by Ministry of Finance.
- The sale of Bank Notes has been accounted for at MoU Rate (2014-15) duly approved by Ministry of Finance. MoU Rate are yet to be accepted by RBI in respect of Bank Notes.
- The Sale of Postal Stationery has been accounted for at the rates recommended by the Cost Audit Branch, Ministry of Finance, and Government of India (CAB) for the year 2013-14.

The difference if any between rates of Coins, Bank Notes & Postal Stationery accounted for in Financial Year 2014-15 and rates to be finalised by CAB/ICAI based on cost plus return on capital employed approach which is yet to be approved by Ministry of Finance, for these products in subsequent years, will be accounted for in the year of approval.

Note 62 In respect of SPM, Hoshangabad, advances booked under Other Receivable Account to the tune of ₹0.92 Crores are pending for reconciliation.

Note 63 Depreciation is provided on eligible assets as per the rates specified in Schedule-II to the Companies Act, 2013.

As per our report of even date annexed.

For M/s. Batra Sapra & Co.
Chartered Accountants
Firm Registration No. 000103N

Sd/-
CA Amrit Lal Batra
Partner
(M.No 016929)

On behalf of Security Printing and Minting Corporation of India Ltd.

Sd/-
M.S Rana
Chairman & Managing Director
& Incharge Director (Finance)

Sd/-
P. N. Radkar
Director (Technical)

Date: 11.08.2015
Place: New Delhi

Sd/-
Sachin Agarwal
Dy. Company Secretary



India Govt. Mint, Mumbai



India Govt. Mint, Kolkata



India Govt. Mint, Noida



India Govt. Mint, Hyderabad



Currency Note Press, Nashik



Bank Note Press, Dewas



India Security Press, Nashik



Security Printing Press, Hyderabad



Security Paper Mill, Hoshangabad



SPMCIL

भारत प्रतिभूति मुद्रण तथा मुद्रा निर्माण निगम लिमिटेड

मिनीरत्न श्रेणी-I, सीपीएसई (भारत सरकार के पूर्ण स्वामित्वाधीन)

16वां तल, जवाहर व्यापार भवन, जनपथ, नई दिल्ली - 110001

सीआईएन: - U22213DL2006GOI144763

Security Printing and Minting Corporation of India Ltd.

A Mini Ratna Category-I CPSE (Wholly owned by Govt. of India)

16th Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi -110001

CIN : U22213DL2006GOI144763