



# 15<sup>वीं</sup> वार्षिक रिपोर्ट ANNUAL REPORT 2019-20

आस्था के साधनों के निर्माता  
*Manufacturer of Instruments of Faith*



भारत की  
सर्वाधिक विश्वसनीय  
कंपनी का  
पुरस्कार 2019  
INDIA'S MOST  
TRUSTED COMPANIES  
AWARDS  
2019



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

एसपीएमसीआईएल  
के बारे में  
**ABOUT  
SPMCIL**

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

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

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

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

विकास का उत्प्रेरक  
**Catalyst  
of Growth**

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

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





# उद्भव

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

## EMERGENCE

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

# एसपीएमसीआईएल का इतिहास *History of SPMCIL*

### 18<sup>वीं</sup> सदी / 18<sup>th</sup> Century

सिक्कों की ढलाई का कार्य कलकत्ता टकसाल में प्रारंभ हुआ। 1790 में इंग्लैंड से आधुनिक मशीन खरीदी गई और दूसरी टकसाल की स्थापना की गई। इन टकसालों में पीतल, चांदी तथा सोने के सिक्कों की ढलाई की जाती थी।

Minting of coins started at Calcutta Mint. In 1790 modern machinery was brought from England and second Mint was established. Bronze, Silver and Gold coins were getting Minted from these mints.

#### 1925

भाप्रमु, नासिक में डाक सामग्री और टिकटों की छपाई शुरू हुई।  
Printing of postal stationery & stamps started at ISP, Nashik.

#### 1928

भाप्रमु, नासिक में बैंक मुद्रा नोटों की छपाई शुरू हुई।  
Printing of currency/bank notes started at ISP, Nashik.

#### 1967

प्रतिभूति कागज विनिर्माण कारखाने ने होशंगाबाद (म.प्र.) में काम करना शुरू किया गया।  
A Security Paper manufacturing Mill was commissioned at Hoshangabad (M.P.)

#### 1974

देवास में एक नए बैंक नोट मुद्रणालय की स्थापना की गई।  
A new bank note press was established at Dewas.

#### 1988

भारत सरकार टकसाल, नोएडा ने नियमित उत्पादन करना प्रारंभ किया।  
IGM, Noida started regular production.

#### 2006

स्याही कारखाने ने कारखाने में ही क्विकसेट इंटैग्लियो स्याही तैयार करने की चुनौती स्वीकार की। स्याही कारखाने के तकनीकी विशेषज्ञों द्वारा अनुसंधान एवं विकास के जोरदार प्रयास किए गए।  
Ink Factory took up the challenge to develop the Quickset Intaglio inks in-house. Vigorous R&D efforts were made by the Technical Expert of Ink Factory.

रामायण  
RAMAYANA



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Presentation of Dividend Cheque of ₹ 218.48 Crores for the Financial Year 2018-19 to Hon'ble Union Finance Minister on 4<sup>th</sup> October, 2019

## VISION

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

## MISSION

*Achieve market leadership by:*

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



# BOARD OF DIRECTORS (as on 31<sup>st</sup> March 2020)

## FUNCTIONAL DIRECTORS



**Ms. TRIPTI P. GHOSH**  
Chairman & Managing Director



**SHRI AJAI KUMAR SRIVASTAV**  
Director (Technical)



**SHRI S.K. SINHA**  
Director (HR)



**SHRI AJAY AGARWAL**  
Director (Finance)

## GOVERNMENT NOMINEE DIRECTORS



**Ms. MEERA SWARUP**  
AS & FA, Ministry of Finance



**DR. SHASHANK SAKSENA**  
Sr. Economic Advisor (C&C), DEA,  
Ministry of Finance



**MS. PUNYA SALILA SRIVASTAVA**  
AS (WS), Ministry of Home Affairs

## END-USER REPRESENTATIVE DIRECTORS



**SHRI ARUN K. CHATTERJEE**  
AS (PSP) & CPO  
Ministry of External Affairs



**Dr. AMARPREET DUGGAL**  
DDG (Philately)  
Department of Posts



# SENIOR MANAGEMENT



**Ms. MAMTA SINGH**  
Chief Vigilance Officer



**SHRI RAMAKANT DIXIT**  
Chief General Manager  
Corporate Office, New Delhi



**SHRI SUDHIR KUMAR SAHU**  
Chief General Manager  
ISP, Nashik



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



**SHRI RAJESH BANSAL**  
Chief General Manager, BNP  
Dewas & SPM, Hoshangabad



**SHRI BOLEWAR BABU**  
Chief General Manager  
SPP, Hyderabad



**SHRI S.B. BEHRA**  
Chief General Manager  
Corporate R&D Centre, Nashik



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



**SHRI SRIKARA PRADHAN**  
Chief General Manager  
IGM, Mumbai



**SHRI J.P. DASH**  
Chief General Manager  
IGM, Hyderabad



**SHRI RAJAT PAUL**  
Chief General Manager  
IGM, Kolkata



**SHRI B.J. GUPTA**  
Chief General Manager (HR)  
Corporate Office, New Delhi

# AUDITORS OF SPMCIL



## *Statutory Auditor*

**M/s ASHWANI & ASSOCIATES**  
Chartered Accountants  
New Delhi

## *Secretarial Auditor*

**M/s J.K. GUPTA & ASSOCIATES**  
Company Secretaries  
Delhi

## *Cost Auditor*

**M/s MURTHY & CO. LLP**  
Cost Accountants  
Bengaluru

## Branch Auditors

| Units                              | Auditors                                                                      |
|------------------------------------|-------------------------------------------------------------------------------|
| India Security Press, Nashik       | <b>M/s V.K. SURANA &amp; CO.</b><br>Chartered Accountants<br>Nagpur           |
| Currency Note Press, Nashik        | <b>M/s PATEL KALANTRI &amp; ASSOCIATES</b><br>Chartered Accountants<br>Nashik |
| Bank Note Press, Dewas             | <b>M/s L.K. MAHESHWARI &amp; CO.</b><br>Chartered Accountants<br>Bhopal       |
| Security Paper Mill, Hoshangabad   | <b>M/s G.D.K. &amp; ASSOCIATES</b><br>Chartered Accountants<br>Bhopal         |
| Security Printing Press, Hyderabad | <b>M/s K. PRAHLADA RAO &amp; CO.</b><br>Chartered Accountants<br>Hyderabad    |
| India Government Mint, Hyderabad   | <b>M/s ANJANEYULU &amp; CO.</b><br>Chartered Accountants<br>Hyderabad         |
| India Government Mint, Mumbai      | <b>M/s N G S &amp; CO. LLP</b><br>Chartered Accountants<br>Mumbai             |
| India Government Mint, Kolkata     | <b>M/s DUTTA SARKAR &amp; CO.</b><br>Chartered Accountants<br>Kolkata         |
| India Government Mint, Noida       | <b>M/s ASHWANI &amp; ASSOCIATES</b><br>Chartered Accountants<br>New Delhi     |





## ***From The Desk of CMD***



### **Dear Shareholders,**

It gives me immense pleasure to welcome you all to the 15th Annual General Meeting of the Company. Despite the challenges of the business and its surrounding environment, your Company has registered yet another year of strong performance in 2019-20. While focussing on the production targets, the Company has also increased productivity per employee considerably.

Your Company has produced 9824 million pieces of the Bank Notes and supplied 8453 million pieces of Bank Notes to Reserve Bank of India (RBI) during the year 2019-20. This is 6.28% lower than the production of 10482 million pieces of the Bank Notes during the last year i.e. 2018-19. The reduction in production of Bank Notes is due to lockdown declared by the Government of India to combat the outbreak of COVID-19 pandemic. Production of the Bank Notes per employee has increased to 3.33 million pieces in 2019-20 as against 3.29 million pieces achieved during the last year 2018-19.

Your Company has produced 3282 million pieces of the Circulating Coins and supplied 3169 million pieces of the Circulating Coins to RBI during the year 2019-20. This is 38.43% lower than the production of 5331 million pieces of Circulating Coins achieved during the last year 2018-19. Production of Coins per Employee has also decreased to 1.55 million pieces in 2019-20 as against 2.24 million pieces achieved in the last year 2018-19. The decrease in the production of Circulating Coins is mainly due to reduction in the indent of Circulating Coins by RBI during the year 2019-20.

Your Company has produced 7010 Metric Ton (MT) of Security Paper and supplied 6765 MT of Security Paper to the printing presses during the year 2019-20. This is 16.77% higher than the production of 6003 MT of Security Paper during the last year 2018-19. Production of Security Paper per Employee has increased to 7.03 MT in the year 2019-20 as against 5.68 MT achieved during the previous year 2018-19. Your Company has produced 850.93 Metric Ton (MT) of Security Inks in the year



2019-20 at Ink Factory, Dewas and supplied 861.09 MT Inks to printing presses. This is 13.14% higher than the production of 752.12 MT of Security Inks during the last year 2018-19. Production of Security Inks per Employee has increased to 13.30 MT in the year 2019-20 as against 11.23 MT achieved during the previous year 2018-19.

Your Company has produced 14.72 mpcs of travel documents/ passport booklets and supplied 14.96 mpcs travel documents/ passport booklets to Ministry of External Affairs (MEA) during the year 2019-20. This is 4.32% higher than the production of 14.11 mpcs of travel documents/ passport booklets during the year 2018-19. Your company has also produced 341.36 mpcs of Non-Judicial Stamp Papers (NJSPs) and supplied 288.36 mpcs NJSPs to various State Governments during the year 2019-20. This is 10.31% higher than the production of 309.46 mpcs of NJSPs during the year 2018-19.

### **FINANCIAL PERFORMANCE**

The Revenue from Operations of your Company has decreased to ₹4966.07 crores in 2019-20 from ₹5711.34 crores in the previous year 2018-19. The decrease in revenue is due to reduction in production/sales due to lockdown declared by the Government of India to combat the outbreak of COVID-19 pandemic. Total expenditure for the year 2019-20 is ₹4149.58 crores as compared to ₹5024.53 crores (regrouped) for the year 2018-19. Profit before Tax (PBT) from continuing operations for the year 2019-20 is ₹1026.79 crores as compared to ₹800.69 crores (regrouped) for the year 2018-19 registering a growth of 28.24% over previous year. The Company has achieved a Total Comprehensive Income (TCI) of ₹547.36 crores in the year 2019-20 as compared to ₹517.12 crores (regrouped) in the year 2018-19. The consolidated TCI after

taking into account the 50% share of Joint Venture Company, Bank Note Paper Mill India Pvt. Ltd. (BNPMIPL) is ₹677.93 crores in the year 2019-20 as compared to the Consolidated TCI of ₹605.99 crores (regrouped) in the year 2018-19.

### **DIVIDEND**

Pursuant to guidelines on Capital Restructuring issued by DIPAM, the Board of Directors of your Company has recommended a Final Dividend @ 5% of the Net-worth of the Company for the year 2019-20 aggregating to ₹215.48 crores.

### **MoU PERFORMANCE**

Your Company has been granted 'Very Good' rating by the Department of Public Enterprises (DPE) for its MoU performance for the year 2018-19. For the year 2019-20, the self-evaluation report of MoU duly approved by Board and Administrative Ministry has been sent to DPE. Your company has signed MoU for the year 2020-21 with Department of Economic Affairs, Ministry of Finance on 11.11.2020.

### **MODERNISATION**

During the year 2019-20, your Company has taken-up many modernization and capacity augmentation initiatives. BNP, Dewas has installed and commissioned Computerised Random Numbering (CRN) System on Numbering Machine no. 6 which has improved the Automation and Productivity of the Bank Note. It has also upgraded two numbers of Guillotine (cutting) machine. BNP, Dewas is also in the process of installation of modified touch free suction drum on the Simultan machine No. 7 & 8 which shall increase the speed of machine and reduce the down time due to paper jamming on feeder.

Ink Factory, Dewas has installed and commissioned the Base Ink Handling System. The Dust Collection System has also been





installed and commissioned in Ink Factory, Dewas. Further, the installation of Tack Testers (2 nos.), Digital Ink Rub Tester (1 no.), Ink Drying time recorder (1 no.), Lab Assessment Cabinet (1 no.) has been completed at Ink Factory, Dewas. Ink Factory, Dewas has also installed one Laboratory Balance to meet the increased work volume at QC lab due to increase in the production.

The installation and commissioning of complete printing line consisting of one Offset machine, one Intaglio machine, one Numbering along with varnishing machine & one Finishing machine each at BNP, Dewas and CNP Nashik is in advance stage and shall be completed in the financial year 2020-21. In addition to the above, one intaglio machine each at BNP, Dewas and CNP, Nashik shall also be installed and commissioned in the financial year 2020-21. Intaglio machine was received in financial year 2019-20.

IGM, Noida has installed Surface Grinding Machine which has improved the product quality and production rate. IGM, Kolkata has installed Spot laser Welding Machine for welding/brazing of Front and Back plate of Cupro Nickel medal claps, fittings wire of Tombec Bronze. IGM, Kolkata has also installed polishing machine (Buff) with Built-in Dust Collector for surface finishing and polishing of different medals.

ISP, Nashik has done up-gradation of Power House by replacement of existing 3 nos. 500 KVA Transformers in Substation No.1 with 1000 KVA Energy Efficient Transformers along with construction of new HT room and HT panel with VCB's and required latest protection system. SPP, Hyderabad has done retrofitting of add-on equipment like Hot Stamping, Varnishing, Embossing and auto inking system on Rotatek-II machine. SPP, Hyderabad has also installed Paper Testing Equipment like Tensile Strength Tester, Bending Resistance, Digital Micrometre,

Cobb tester, Folding Endurance Tester, Gloss meter, Electronic Weighing Balance etc. during the year 2019-20.

SPM, Hoshangabad has replaced 11 KV Oil Circuit Breaker (OCB) by Vacuum Circuit Breaker (VCB). This will avoid fire accident, improve electrical safety and reduce tripping time and reduce fault at lowest level. SPM, Hoshangabad has installed and commissioned Air Filtration Unit at Pulp Plant. SPM, Hoshangabad has done installation of Online Brightness Sensor to maintain the uniform brightness of pulp and take the required corrective action within time. All the hardware and relay based Silk Dosing Panel Control System were upgraded to latest PLC and HMI based control system and also 3 nos. Guillotine Machines have been upgraded by replacing 2nd generation TTL logic based 8 nos. control cards by PLC and HMI based control system at SPM, Hoshangabad. Ink marking system also has been implemented for each thread in Non-Judicial Stamp Gr-II Paper to prevent thread breaking / missing of thread. Installation of Lubricating Oil Purifier also has been completed at SPM, Hoshangabad.

## **RESEARCH & DEVELOPMENT (R&D)**

The state-of-the-art Corporate R&D Centre has been setup at CNP, Nashik to carry out research and development activities on currency, passport and security documents etc. at par with international standards. The R&D centre at ISP, Nashik is equipped with Digital Tear Resistance Tester, Cobb Tester, Digital Tensile Strength Tester, Digital Roughness/Porosity Tester, Digital Folding Endurance Tester, Brightness/ Opacity & Colour Tester, Crumpling Instrument and Digital Bursting Strength Tester. A full-fledged R&D Centre for Paper, Pulp etc. has been established at SPM, Hoshangabad. Latest testing equipment and machinery have been installed in the said R&D Centre.



## **HUMAN RESOURCE**

The Manpower Strength of your Company has come down to 8218 as on 31st March 2020 which includes 341 Executives, 1045 Supervisors and 6832 Workers working in 9 Units and Corporate Office in comparison to previous year's employee strength of 8918. Training and retraining of employees to upgrade their functional skills and expertise along with development of their soft skills and group dynamics are thrust areas for the Company.

## **VIGILANCE SETUP**

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

## **CORPORATE GOVERNANCE**

A Report on Corporate Governance and certificate from practicing Company Secretary thereon forms part of the Annual Report. The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been posted on the website of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code. Your Company has achieved 'Excellent' grading on Compliance of guidelines on Corporate Governance issued by DPE for the year 2019-20.

**Date:** 16<sup>th</sup> December, 2020

**Place:** New Delhi

## **RISK MANAGEMENT**

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

## **ACKNOWLEDGEMENTS**

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

Jai Hind!

**(Tripti P. Ghosh)**

Chairman & Managing Director  
DIN : 08123112





## Financial Performance of A Decade at A Glance

(Amount in ₹ Crore)

| I. FINANCIAL                                  | 2019-20<br>(IndAS) | 2018-19<br>(IndAS) | 2017-18<br>(IndAS) | 2016-17<br>(IndAS) | 2015-16        | 2014-15        | 2013-14        | 2012-13        | 2011-12        | 2010-11        |
|-----------------------------------------------|--------------------|--------------------|--------------------|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue from Operations                       | 4966.07            | 5711.34            | 4402.30            | 5966.02            | 4774.24        | 3803.34        | 3897.53        | 3712.94        | 3494.80        | 3164.49        |
| Add : Other Income                            | 210.30             | 113.88             | 196.74             | 137.92             | 101.36         | 108.14         | 139.64         | 143.10         | 167.65         | 252.10         |
| Less : Expenditure                            | 4149.58            | 5010.04            | 4028.43            | 5189.50            | 4830.81        | 4187.79        | 3700.65        | 3282.26        | 2788.08        | 2574.03        |
| Profit Before Exceptional Items & Tax         | 1026.79            | 815.18             | 570.61             | 914.44             | 44.79          | (276.31)       | 336.52         | 573.78         | 874.38         | 842.56         |
| Profit Before Tax                             | 1026.79            | 815.18             | 570.61             | 914.44             | 54.70          | (281.77)       | 346.72         | 578.72         | 874.87         | 816.94         |
| Profit After Tax                              | 527.60             | 527.87             | 619.71             | 652.41             | 203.08         | (352.07)       | 214.63         | 423.49         | 582.47         | 577.19         |
| Dividend Distribution                         | 215.48             | 218.48             | 204.87             | 227.64             | 60.92          | -              | 42.93          | 84.70          | 116.49         | 115.44         |
| <b>Assets</b>                                 |                    |                    |                    |                    |                |                |                |                |                |                |
| Net Fixed Assets                              | 1282.33            | 1326.24            | 1286.64            | 1316.82            | 1312.44        | 970.95         | 1042.91        | 1046.63        | 902.42         | 895.20         |
| Capital Work in Progress (CWIP)               | 76.06              | 11.79              | 75.49              | 63.65              | 84.34          | 417.49         | 448.95         | 105.79         | 166.02         | 230.80         |
| Investments                                   | 400.00             | 400.00             | 490.09             | 501.08             | 500.92         | 399.45         | 371.60         | 400.06         | 200.10         | 101.83         |
| Deferred Tax Asset                            | 704.52             | 944.36             | 873.14             | 686.86             | 371.57         | 223.19         | 293.49         | 259.30         | 73.39          | 93.47          |
| Loans and Advances & other non-current Assets | 79.20              | 81.46              | 78.47              | 61.58              | 149.59         | 155.12         | 242.86         | 448.36         | 437.31         | -              |
| Current Assets                                | 5546.60            | 5208.81            | 4492.12            | 4731.40            | 5165.84        | 4806.72        | 4932.31        | 4548.29        | 5220.86        | 5234.07        |
| <b>Total</b>                                  | <b>8088.71</b>     | <b>7972.66</b>     | <b>7295.95</b>     | <b>7361.39</b>     | <b>7584.70</b> | <b>6972.92</b> | <b>7332.12</b> | <b>6808.43</b> | <b>7000.10</b> | <b>6555.37</b> |
| <b>Liabilities</b>                            |                    |                    |                    |                    |                |                |                |                |                |                |
| <b>Equity</b>                                 |                    |                    |                    |                    |                |                |                |                |                |                |
| Share Capital                                 | 987.50             | 1064.24            | 1064.24            | 1182.49            | 1182.49        | 0.05           | 0.05           | 0.05           | 0.05           | 0.05           |
| Other Equity                                  | 3322.09            | 3305.32            | 3021.44            | 3142.70            | 2936.21        | 2472.46        | 2859.79        | 2695.38        | 2370.34        | 1923.27        |
| <b>Total</b>                                  | <b>4309.59</b>     | <b>4369.56</b>     | <b>4085.68</b>     | <b>4325.19</b>     | <b>4118.70</b> | <b>2472.51</b> | <b>2859.84</b> | <b>2695.44</b> | <b>2370.39</b> | <b>1923.32</b> |
| Funds from Govt. of India (Adjustable)        | -                  | -                  | -                  | -                  | 179.77         | 2878.65        | 2878.65        | 2879.49        | 2879.67        | 2879.77        |
| Current Liabilities                           | 1819.95            | 1801.86            | 1485.53            | 2444.67            | 1775.42        | 1303.05        | 1316.58        | 930.61         | 1462.68        | 1577.28        |
| Borrowings                                    | -                  | -                  | -                  | -                  | 1182.44        | -              | -              | -              | -              | 175.00         |
| Other Long term liabilities & provisions      | 1959.17            | 1801.24            | 1724.74            | 591.52             | 328.37         | 318.71         | 277.05         | 302.89         | 287.36         | -              |
| <b>Total</b>                                  | <b>8088.71</b>     | <b>7972.66</b>     | <b>7295.95</b>     | <b>7361.39</b>     | <b>7584.70</b> | <b>6972.92</b> | <b>7332.12</b> | <b>6808.43</b> | <b>7000.10</b> | <b>6555.37</b> |
| Net Worth (as per Companies Act)              | 4309.59            | 4369.56            | 4085.68            | 4325.19            | 4118.70        | 2472.51        | 2859.84        | 2695.44        | 2370.39        | 1923.32        |
| <b>Ratios</b>                                 |                    |                    |                    |                    |                |                |                |                |                |                |
| Earnings Per Share*                           | 5.18               | 5.00               | 5.65               | 5.21               | 62.76          | (70415)        | 42926          | 84698          | 116494         | 115438         |
| Book Value Per Share*                         | 43.64              | 41.06              | 35.39              | 38.50              | 34.83          | 494502         | 571968         | 539088         | 474078         | 384664         |
| Return on Net Worth (%)                       | 12.24%             | 12.08%             | 15.16%             | 15.08%             | 4.93%          | (14.24%)       | 7.50%          | 15.71%         | 24.57%         | 30%            |
| PBT/Revenue From Operations (%)               | 20.68%             | 14.27%             | 12.96%             | 15.33%             | 1.15%          | (7.41%)        | 8.90%          | 15.59%         | 25.03%         | 25.82%         |
| PAT/Revenue From Operations (%)               | 10.62%             | 9.24%              | 14.08%             | 10.94%             | 4.25%          | (9.26%)        | 5.51%          | 11.41%         | 16.67%         | 18.24%         |



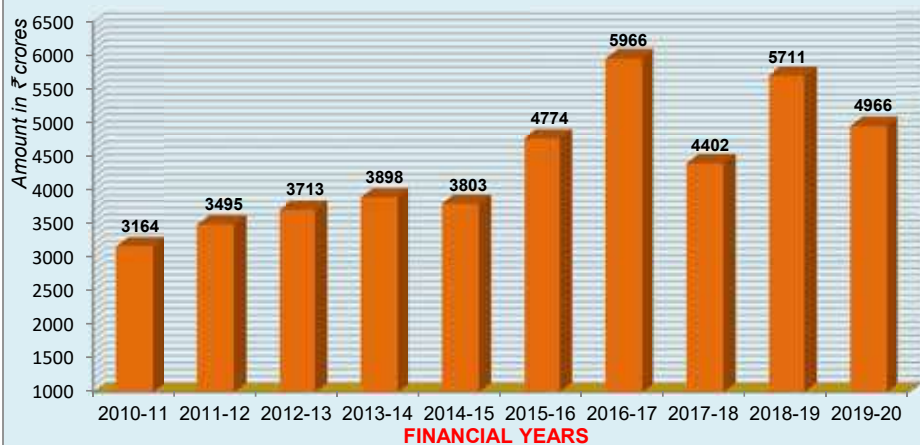
|                                   |                                                                                                                          |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------|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

| II. Operational Performance          |                                  | 2019-20     | 2018-19     | 2017-18     | 2016-17      | 2015-16      | 2014-15      | 2013-14      | 2012-13      | 2011-12      | 2010-11      |
|--------------------------------------|----------------------------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Bank Notes                           | Production (mpcs)                | 9824        | 10482       | 9219        | 8785         | 7150         | 8358         | 8018         | 7421         | 6539         | 5472         |
|                                      | Supply (mpcs)                    | 8453        | 10306       | 8594        | 9265         | 6785         | 8141         | 7941         | 7391         | 6602         | 5639         |
|                                      | Productivity per Employee (mpcs) | 3.33        | 3.29        | 2.72        | 2.48         | 1.93         | 2.12         | 1.98         | 1.80         | 1.61         | 1.31         |
| Circulating Coins                    | Production (mpcs)                | 3282        | 5331        | 6703        | 9681         | 9254         | 7929         | 7650         | 6708         | 6282         | 6070         |
|                                      | Supply (mpcs)                    | 3169        | 6133        | 5571        | 9691         | 9257         | 7907         | 7676         | 6878         | 6094         | 6140         |
|                                      | Productivity per Employee (mpcs) | 1.55        | 2.24        | 2.55        | 3.37         | 3.07         | 2.49         | 2.26         | 1.87         | 1.69         | 1.57         |
| Security Paper                       | Production (MT)                  | 7010        | 6003        | 5779        | 3200         | 3816         | 3266         | 3240         | 2925         | 2925         | 2858         |
|                                      | Supply (MT)                      | 6765        | 6837        | 4657        | 3540         | 2949         | 3110         | 3106         | 3021         | 3108         | 2715         |
|                                      | Productivity per Employee (MT)   | 7.03        | 5.68        | 5.16        | 2.74         | 3.07         | 2.44         | 2.51         | 2.52         | 2.74         | 2.52         |
| Security Inks                        | Production (MT)                  | 851         | 752         | 579         | 825          | 809          | 525          | 604          | 484          | 273          | 298          |
|                                      | Productivity per Employee (MT)   | 13.30       | 11.23       | 8.04        | 11.00        | 10.93        | 5.83         | 8.75         | 6.45         | 4.96         | 5.42         |
| Travel Documents / Passport Booklets | Production (mpcs)                | 14.72       | 14.11       | 11.61       | 15.58        | 15.28        | 10.67        | 6.30         | 5.69         | 7.70         | 7.20         |
|                                      | Supply (mpcs)                    | 14.96       | 13.89       | 11.61       | 15.59        | 15.18        | 10.69        | 6.32         | 5.74         | 7.70         | 7.30         |
| Non-Judicial Stamp Paper             | Production (mpcs)                | 341.36      | 309.46      | 259.05      | 258.99       | 289.17       | 414.32       | 411.09       | 407.39       | 329.00       | 284.00       |
|                                      | Supply (mpcs)                    | 288.36      | 324.20      | 260.58      | 293.53       | 299.18       | 390.18       | 385.02       | 398.02       | 358.00       | 330.00       |
| III. Manpower                        |                                  | 2019-20     | 2018-19     | 2017-18     | 2016-17      | 2015-16      | 2014-15      | 2013-14      | 2012-13      | 2011-12      | 2010-11      |
| Currency Presses                     |                                  | 2953        | 3190        | 3386        | 3546         | 3714         | 3941         | 4054         | 4116         | 4050         | 4177         |
| Mints                                |                                  | 2120        | 2381        | 2633        | 2876         | 3013         | 3188         | 3390         | 3591         | 3707         | 3855         |
| Security Printing Presses            |                                  | 2077        | 2223        | 2428        | 2695         | 3012         | 3252         | 3453         | 3673         | 3927         | 4255         |
| Security Paper Mill                  |                                  | 997         | 1056        | 1121        | 1170         | 1244         | 1337         | 1290         | 1161         | 1068         | 1132         |
| Corporate Office                     |                                  | 71          | 68          | 70          | 67           | 69           | 66           | 70           | 65           | 66           | 64           |
| <b>Total</b>                         |                                  | <b>8218</b> | <b>8918</b> | <b>9638</b> | <b>10354</b> | <b>11052</b> | <b>11784</b> | <b>12257</b> | <b>12606</b> | <b>12818</b> | <b>13483</b> |

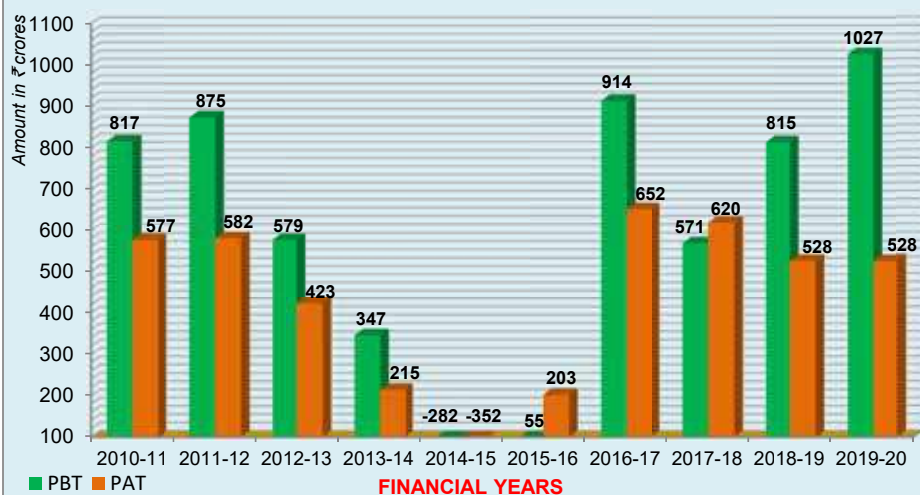




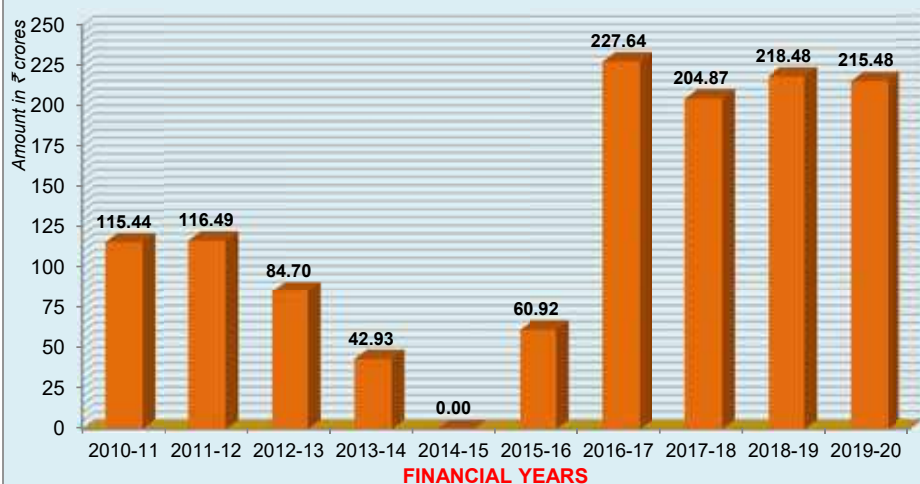
## REVENUE FROM OPERATIONS



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

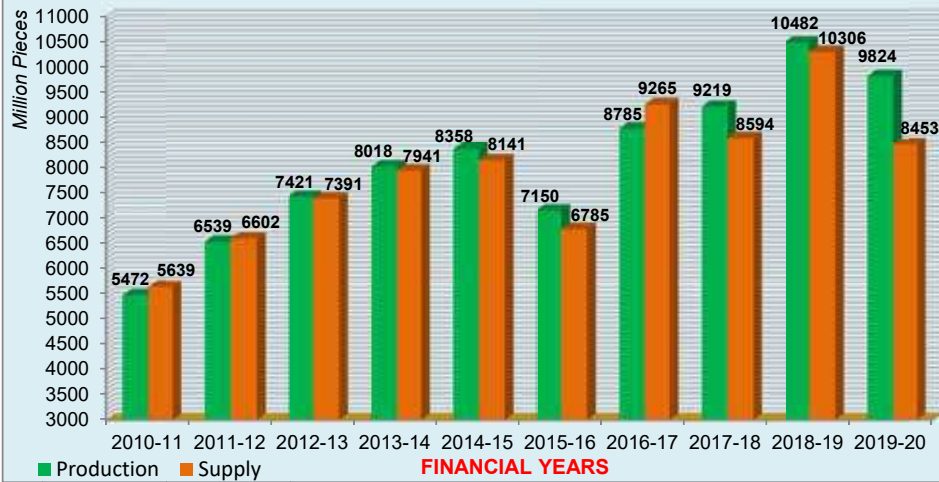


## DIVIDEND DISTRIBUTION

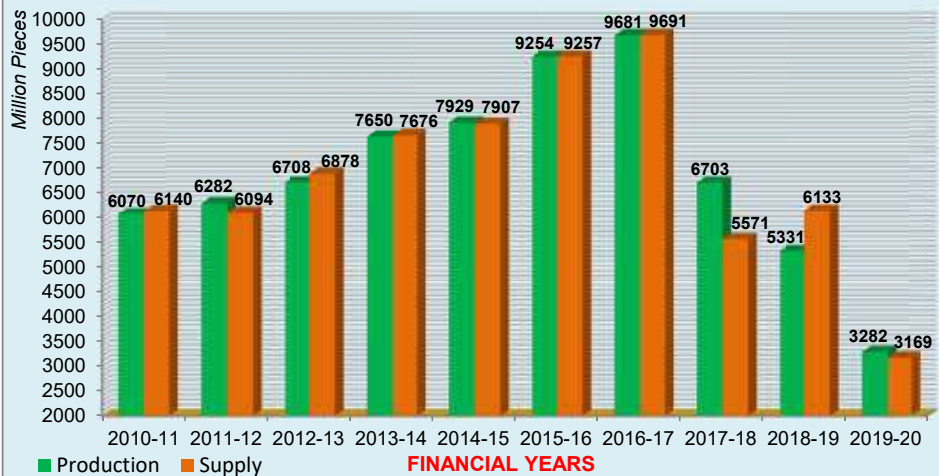




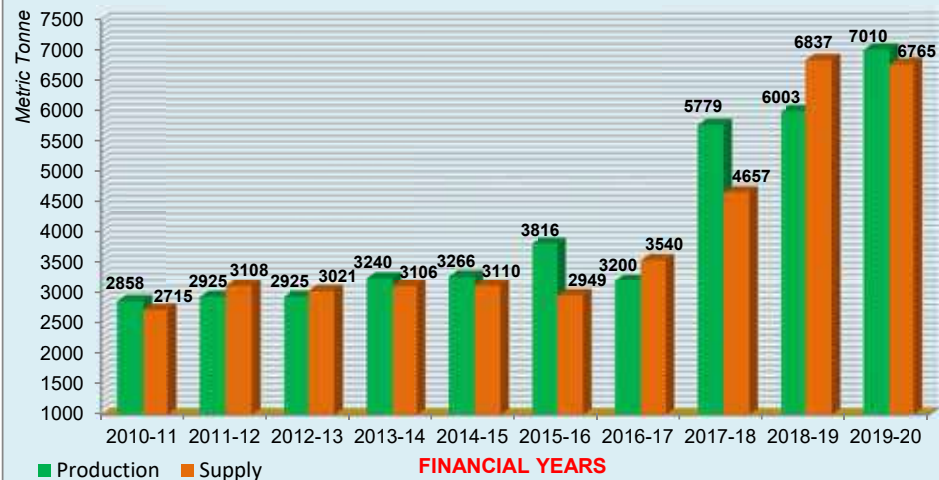
### PRODUCTION / SUPPLY OF BANK NOTES



### PRODUCTION / SUPPLY OF CIRCULATING COINS

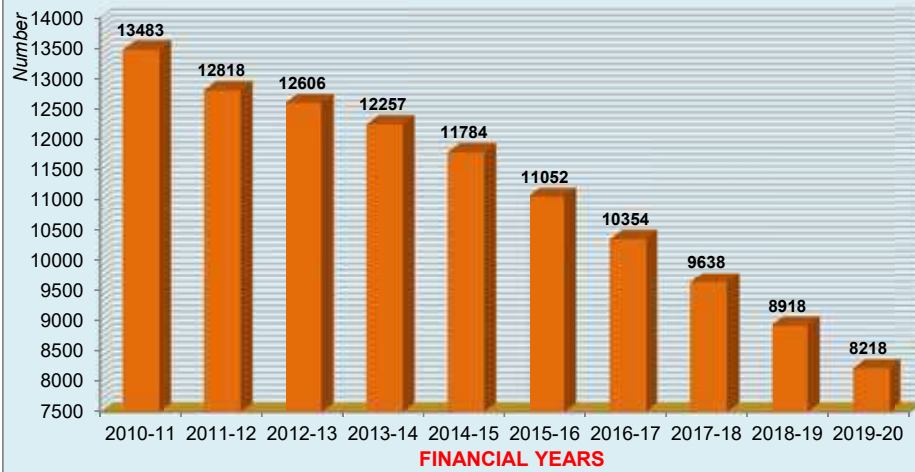


### PRODUCTION / SUPPLY OF SECURITY PAPER

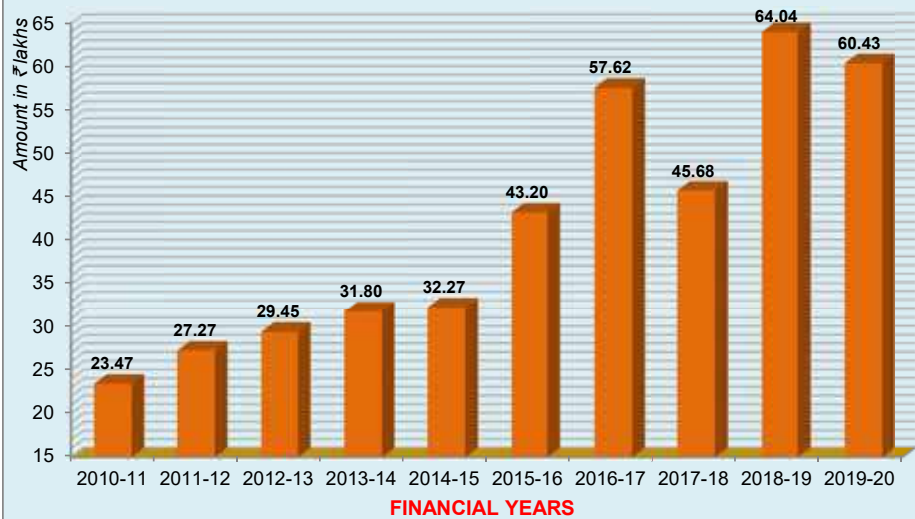




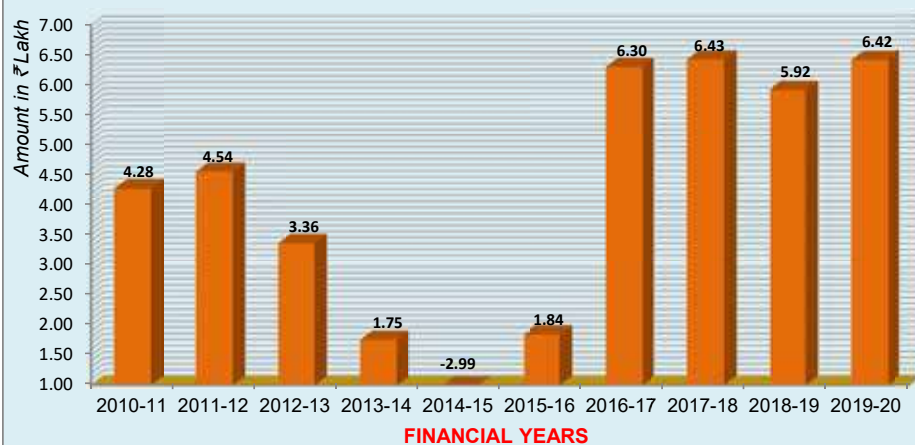
### MANPOWER



### REVENUE FROM OPERATION PER EMPLOYEE



### PROFIT AFTER TAX (PAT) PER EMPLOYEE





## ABOUT SPMCIL

# PRODUCTION VERTICALS



### CURRENCY PRINTING

Printing of Bank Notes of ₹500, ₹200, ₹100, ₹50, ₹20, ₹10 & Re.1 Denominations



### MINTS

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



### SECURITY PAPER

Manufacturing of Paper for Bank Notes of ₹500, ₹200, ₹100, ₹50, ₹20, ₹10 Denominations, Non-Judicial Stamp Papers etc.

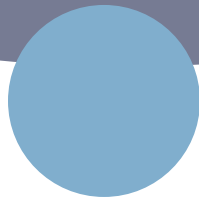
### SECURITY PRINTING

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

### SECURITY INKS

Manufacturing of Offset Inks, UV Inks & Quickset Intaglio Inks

# A BRIEF PROFILE OF UNITS OF SPMCIL



## CURRENCY PRESSES

- ▶ Currency Note Press (CNP)  
Nashik
- ▶ Bank Note Press (BNP)  
Dewas

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





## ***Currency Note Press (CNP), Nashik***

Currency Note Press (CNP) is situated at Nashik Road, Maharashtra. It was established in the year 1928 with the objective of printing currency/bank notes of denominations as per the requirements and indents placed by Reserve Bank of India from time to time. The total area of the premises is 48 acres. It is an ISO 9001 : 2008 QMS & ISO 14001 EMS certified unit. The unit is equipped with designing, engraving, complete pre printing and offset printing facilities, intaglio printing machines, numbering & finishing machines. It has designed, printed and supplied around 300 varieties of banknotes for Govt. of India and 09 foreign countries like Nepal, Burma, Bangladesh

etc. This unit is having fool proof accounting of security products, micro tints, inter-lock designs, see through designs, latent image and is using fluorescent & optically variable inks etc. to impede forgery. It is a pioneer & premier unit for examination of suspected forged notes having full-fledged Forgery Detection lab & fleet of expert officials. CNP receives suspected notes from the various investigation agencies like NIA, State CID, CBI, Banks, Courts etc. The State of Art Paper Testing Laboratory is functioning in CNP for inspection of Water marked Bank Note Paper in house.





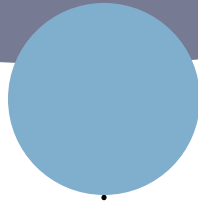
## ***Bank Note Press (BNP), Dewas***

**B**ank Note Press, Dewas was established in the year 1974 with the objective of producing world class, high quality, new family bank notes to impede forgery by incorporating higher security features, latest modern techniques like, the intaglio printing, dry offset printing with security features such as continuous bleed of tints, interlock designs, see-through designs, use of fluorescent inks optically variable inks etc.

The production at BNP, Dewas was started in the year 1974 and first consignment of new

family of notes was remitted to Reserve Bank of India in March, 1975. Bank Note Press has been equipped with all the facilities for printing and processing of bank notes of high quality and has various wings to control various activities like printing, quality control, engineering, examination group, auxiliary and administrative group. It has its own security ink manufacturing plant which produces offset, numbering and intaglio inks. The requirement of Security Inks of SPMCIL are being met in-house from this Ink manufacturing plant.

# MINTS



- ▶ IGM, Mumbai
- ▶ IGM, Hyderabad
- ▶ IGM, Kolkata
- ▶ IGM, Noida

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





## ***India Government Mint, Mumbai***

**M**umbai Mint is one of the oldest mints of India. The history of Mumbai mint dates back to the last quarter of the seventeenth century. It's evolution over the centuries is identical to that of the rupee. The development of coins, from manufacturing the coins in a small place by means of hammer and anvil initially, to manufacturing by automatic machines, includes many interesting stories, for instance, in olden days the weight of the coins was decided in terms of grains. The first mint at Mumbai was set up by Governor Aungier for coinage of rupees, pies and bajruks. The first Mumbai Mint rupee was coined in the year 1672. Present Mumbai Mint was constructed between the years 1824 and 1830 by Capt. John Hawkins of Bombay Engineers. This Mint has been manufacturing & supplying Reference, Secondary and Working Standards set of weights and measures (Mass, Volume, Length)

as per Weights and Measures Act, 1976. These standards are manufactured against accurate standards authenticated, calibrated and approved by NPL, New Delhi. Each of these standards play a vital role in the work of the State Governments by ensuring that the weights and measures used in the trade and commerce are of the required accuracy. During the Gold Control Act, Mumbai Mint was the only authorized mint to process the gold in any form other than jewellery. With the setting up of the new Aqua Regia Gold/Silver refining plant, this Mint has the facility to process gold up to a fineness of 999.99. Apart from having coin blanks manufacturing facility, this unit produces circulating coins and also commemorative coins which are issued to celebrate special occasions/events or as a mark of respect towards distinguished individuals or monuments.





## ***India Government Mint, Kolkata***

**T**he history of Calcutta Mint starts with the treaty of the East India Company with Nawab Siraj-ud-Daula, dated 7<sup>th</sup> February 1757. The earliest rupee from the Calcutta Mint was issued on the pattern of the Mughal Coins with Persian inscriptions. The site of the first Mint of Calcutta is not known. The second Calcutta Mint was established in 1792. The construction of the third Mint at Strand Road was planned in 1819 and it was opened for coinage on 1<sup>st</sup> August 1829 and was known as Silver Mint though gold coins had also been stuck there. In 1860 an annexe known as the “Copper Mint” intended exclusively for copper coinage was built to the north of the Silver Mint. Meanwhile the need was felt by the Government of India as early as 1940 and plans were laid to set up a new high capacity Mint in Alipore and Calcutta Mint was shifted to Alipore, where construction

work was started in 1941. For Alipore Mint 26 acres of land had been taken over by the Government from the Port Commissioner of Calcutta in 1941. It had started with a coinage production capacity of about 12 Lakh pieces per eight hours shift. This Mint played a glorious role in India’s Coinage by minting gold, silver, nickel, copper, cupro-nickel, nickel-brass and bronze coins. Apart from this, Medals, decorations, Commemorative pieces, delicate works by skilled workmanship are done for Government Departments, educational institutions, noble families, the list is virtually endless.

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



## ***India Government Mint, Hyderabad***

India Government Mint, Hyderabad was originally established in 1803 as the Royal Mint to serve as the mint for the Nizam of Hyderabad. In 1950, the mint was taken over by the Government of India, and Mint was inaugurated on 28<sup>th</sup> August 1997 at Cherlapally where the Mint at Saifabad was completely shifted on 1<sup>st</sup> November 2001 and it started operation fully. The Mint is one of the prestigious organizations in twin cities of Hyderabad and Secunderabad. This gigantic task was successfully completed under the supervision of the Central Public Works Department and the consultancy from MECON. The campus is spread over an area of 80 acres of land.

Apart from the high security-minting complex, it has residential complex for essential staff (nearly 100 quarters) with well-supported infrastructure. The factory and colony is nearly self-dependent for all its basic needs. This Mint is equipped with modern machinery supplied by world's leading manufacturers of coining machines. It manufactures coins of ₹20, ₹10, ₹5, ₹2 and ₹1 denominations. It is engaged in end-to-end processes for coin production i.e. blanking, annealing, pickling & polishing and stamping. Central Industrial Security Force is providing the security to the plant with security surveillance system.





## ***India Government Mint, Noida***

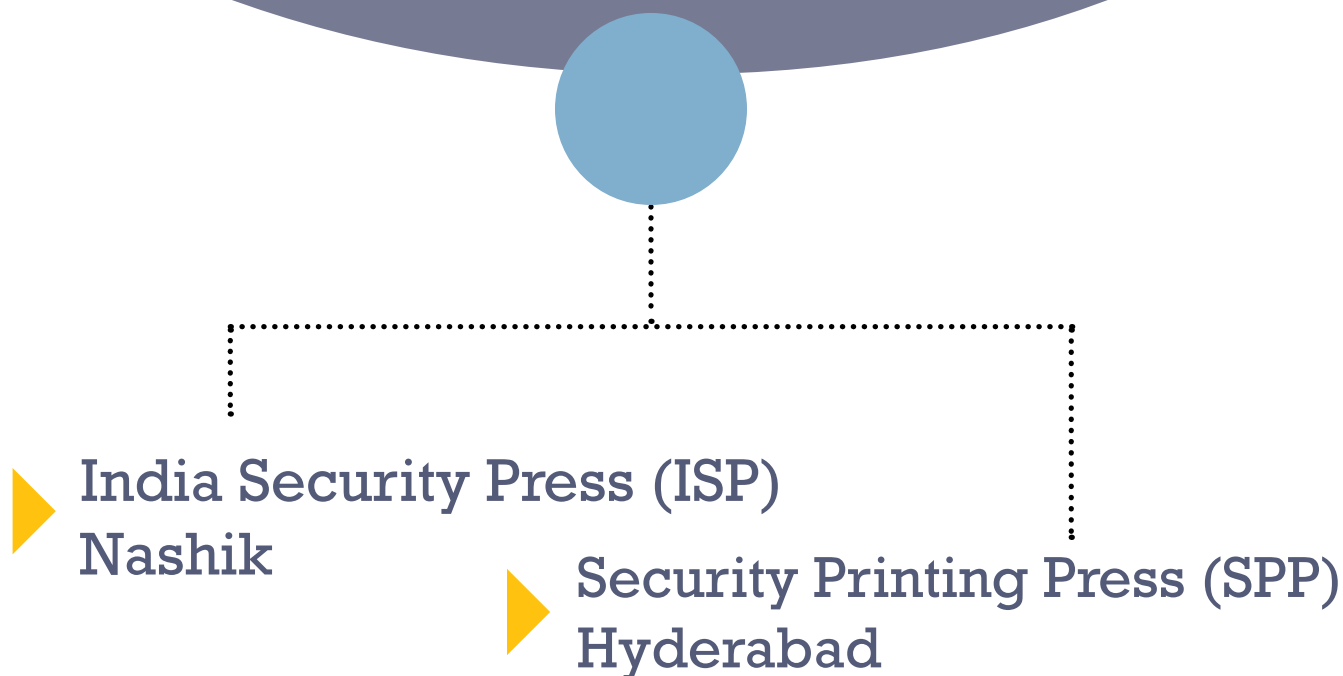
India Government Mint, Noida, Gautam Budh Nagar, UP is the only Mint established in the post-independence era. This is the fourth Mint in the country. In order to fill the gap between demand and supply of coins in the country, Government of India decided in the year 1984 to establish a new mint project at Noida with the estimated annual production capacity of 2000 million pieces of coins. This Mint started regular production from 1988. It was the first mint in the country to produce stainless steel coins. The project was started by the Government of India, Ministry of Finance, Department of Economic Affairs in January 1986 with an estimated budget of

₹ 30 Crore. Construction of the Mint was undertaken by National Building Construction Corporation (NBCC) and Metallurgical and Engineering Consultants (MECON) were the engineering consultants. The project was completed within the given time frame and dedicated to the nation on 1<sup>st</sup> July 1988.

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



# SECURITY PRINTING PRESSES



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



## ***India Security Press (ISP), Nashik***

India Security Press (ISP), Nashik is a premier organization under SPMCIL. ISP, Nashik is more than 95 years old establishment. It was set up by British during colonial rule for printing of court fee, fiscal, postal, non-postal stamps and postal stationery items in the year 1925. Prior to 1855, Postal Stamps and other security documents were printed at Her Majesty's Mint, Calcutta by the Survey of India Organization. Between 1862 and 1924, the job was entrusted to M/s Thomas De-La-Rue & Co. Ltd., London who was awarded a Contract for printing Indian Court Fee, Fiscal and Postal Stamps and Stationery.

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





## ***Security Printing Press (SPP), Hyderabad***

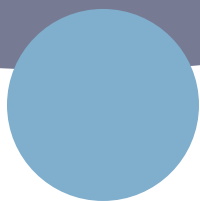
**S**ecurity Printing Press (SPP), Hyderabad was established in the year 1982 primarily to meet the requirements of postal stationery for Department of Posts, Ministry of Communications, New Delhi. Subsequently, the press has taken-over the development and printing of Non-Judicial Stamp Papers and Court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

It is equipped with latest Pre-press, Press and Post-press machinery for printing of high

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



# SECURITY PAPER MILLS



- ▶ Security Paper Mill (SPM), Hoshangabad
- ▶ Bank Note Paper Mill India Private Limited (BNPMIPL), Mysuru

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

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

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



## ***Security Paper Mill (SPM), Hoshangabad***

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

Security Paper Mill (SPM), Hoshangabad was established in the year 1968. It manufactures different types of High Quality Security Papers for Bank Notes and Non-Judicial Stamp Papers. Security Paper manufactured by this unit is used by other SPMCIL units for printing of

Currency/Bank Notes and Non-Judicial Stamps. SPM, Hoshangabad has the distinction of incorporating numerous security features in security paper viz. Fluorescent Fibres, Multitonal three Dimensional Watermark, Electrotone Watermark, various types of Security Threads, Taggants etc.

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





## ***Bank Note Paper Mill India Private Limited (BNPMIPL), Mysuru***

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

The main objective of Joint Venture Company is to carry on the business of developing,

designing, manufacturing, producing, and supplying in India and abroad of currency paper and bank note paper and all allied activities. This is a Continuous Process Industry and the product is unique of its kind having fiduciary value more than its intrinsic worth. BNPMIPL has achieved the rare feat of producing the high quality bank note paper within the short period of commencing the production. Now, the requirement of Bank Note paper is met domestically.







# Brief Profile of Product Verticals

## CURRENCY PRESSES

- Currency Notes
- Inks

## MINTS

- Circulating Coins
- Commemorative Coins
- Non-Coinage Activities

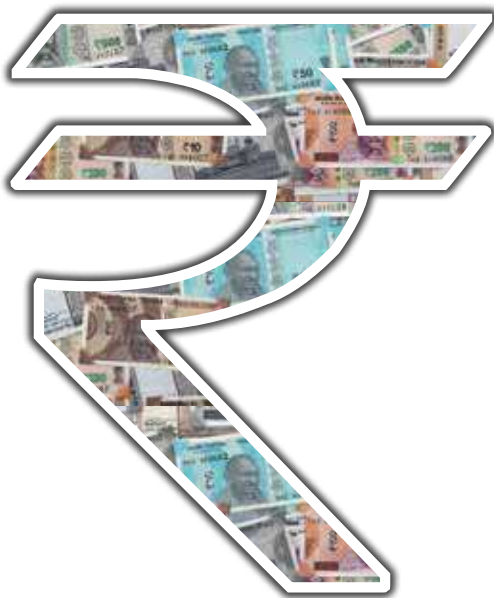
## SECURITY PRESSES

- Security Products

## SECURITY PAPER MILLS

- Security Paper

## CURRENCY PRESSES



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

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

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

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





## Currency/Bank Notes after Independence

The transition of currency management from colonial to independent India was a reasonably smooth affair. Midnight, 14<sup>th</sup> August, 1947 heralded Indian independence from colonial rule. The Republic, however, was established on 26<sup>th</sup> January, 1950. During the interregnum, the Reserve Bank of India continued to issue the extant notes.

Government of India brought out the new design Re. 1 note in 1949.



*Government of India - Rupee One*

Symbols for independent India had to be chosen. At the outset it was felt that the King's portrait be replaced by a portrait of Mahatma Gandhi. Designs were prepared to that effect. In the final analysis, the consensus moved to the choice of the Lion Capital at Sarnath in lieu of the Gandhi Portrait. The new design of notes were largely along earlier lines.



*Rupees Ten - King's Portrait*



*Rupees Ten - Ashoka Pillar*





## Banknotes of Republic India

In the year 1950, the first Republic India banknotes were issued in the denominations of Rs.2, 5, 10 and 100. There was slight variation in colour and design in case of Rs.2, 5 and Rs. 100 notes. The ship motif on the reverse of Rs. 10 note was kept intact for the sake of continuity.



*Republic of India - Rupees Two*



*Government of India - Rupees Five*



*Government of India - Rupees Ten*



*Government of India - Rupee One Hundred*





## Hindi Prominent on New Notes

In the year 1953, Hindi was displayed prominently on the new notes. The debate regarding the Hindi plural of Rupaya was settled in favour of Rupiyе. High denomination notes (Rs. 1,000, Rs. 5,000 and Rs. 10,000) were reintroduced in 1954. High denomination notes were once again demonetised in 1978 for the same reasons as the 1946 demonetisation.



*Rupees One Thousand - Tanjore Temple*



*Rupees Five Thousand - Gateway of India*



*Rupees Ten Thousand - Lion Capital, Ashoka Pillar*





The lean period of the early sixties led to considerations of economy and the sizes of notes were reduced in 1967. In the year 1969, a commemorative design series in honour of the birth centenary celebrations of Mahatma Gandhi was issued depicting a seated Gandhi with reading book at Sabarmati Ashram as the backdrop.



*Mahatma Gandhi Centenary Issues – Re. 1*



*Mahatma Gandhi Centenary Issues – Rs.2*



*Mahatma Gandhi Centenary Issues – Rs.5*



*Mahatma Gandhi Centenary Issues – Rs.10*



*Mahatma Gandhi Centenary Issues – Rs.100*





The small denomination of Rs. 2 and Rs. 5 of the early series depicted the fauna motifs such as tiger, bucks and doe, Sambar deers and gazelles. In 1975, a collage of motifs explaining India's agricultural endeavour towards attaining self-sufficiency in food production found represented on Rs. 100 note depicting the activities of farming and plucking of tea leaves.



*Bust of Tiger facing right on Rs.2*



*Standing Tiger on Rs.2*



*Bucks and Doe on Rs.5*



*Sambar Deer on Rs.5*



*Gazelles on Rs.5*



*Agricultural endeavour on Rs.100*





Cost benefit considerations prompted the Bank to introduce Rs.20 denomination notes in the year 1972 and Rs.50 in the year 1975.



*Rupees Twenty*



*Rupees Fifty*

The 1980s saw a completely new set of notes issued. The motifs on these notes marked a departure from the earlier motifs. The emphasis lay on symbols of Science & Technology (Aryabhata on Rs.2 note), Progress (the Oil Rig on Re.1 and Farm Mechanisation on Rs.5 and Hirakud dam on Rs.100) and a change in orientation to Indian Art forms on the Rs.20 and the Rs.10 notes. (Peacock, Shalimar Garden, Konark Wheel).



*Oil Rig on Re.1*



*Aryabhata on Rs.2*



*Farm Mechanisation on Rs.5*





*Peacock and Shalimar garden on Rs.10*



*Konark Wheel on Rs.20*



*Hirakud Dam on Rs.100*

Management of Currency had to cope with the rising demands of a growing economy, together with a fall in purchasing power. The Rs.500 note was introduced in October 1987 with the portrait of Mahatma Gandhi. The water mark continued to be the Lion Capital, Ashoka Pillar.



*Rupees Five Hundred*





## **Mahatma Gandhi Series**

With the advancement of reprographic techniques, traditional security features were deemed inadequate. It was necessary to introduce new features and a new 'Mahatma Gandhi Series' was introduced in 1996. A changed watermark, windowed security thread, latent image and intaglio features for the visually handicapped were amongst the new features.

The new series also witnessed the introduction of Rs.1000 denomination on 09<sup>th</sup> October 2000. Subsequently, on 18<sup>th</sup> November 2000, Rs.500 denomination note was issued in changed colour and incorporating colour-shifting ink in the numeric value at the centre as an additional security feature.



*Rupees Five : Size 63 x 117 mm*



*Rupees Ten : Size 63 x 137 mm*



*Rupees Twenty : Size 63 x 147 mm*



*Rupees Fifty : Size 73 x 147 mm*



Rupees One Hundred : Size 73 x 157 mm



Rupees Five Hundred : Size 73 x 167 mm



Rupees One Thousand : Size 73 x 177 mm





In the year 2005, the Mahatma Gandhi series notes witnessed enhanced security features such as colour shifting machine readable magnetic windowed security thread in Rs. 100 and above denomination note, Numeric back to back registration in place of flower design as identification mark. No change was made to the ID mark in Rs. 5. Year of printing on the banknotes was introduced for the first time in 2005.



*Rupees One Hundred with enhanced security features*

## Rupee Symbol (₹)

In the year 2011, the Rupee symbol (₹), the identity mark of Indian rupee was introduced. The Bank and the Government of India together had formalised a unique symbol (₹) for Indian Rupee in 2010 and thus acquired a place in the select club of countries with a symbol for their currency. In the year 2011, the new Rupee symbol was incorporated in banknotes and coins.



*Rupees One Hundred with Rupee symbol (₹)*

## Rupee One denomination re-introduced

In 2015, ₹1 was re-introduced by the Government of India



*Rupee One : Size 63 x 97 mm*



## MAHATMA GANDHI (NEW) SERIES

The Republic of India witnessed the second major monetary reforms in November 2016 when it withdrew the legal tender status of ₹500 and ₹1,000 denominations of banknotes of the Mahatma Gandhi Series issued by the Reserve Bank of India till 08<sup>th</sup> November 2016.

The new banknotes were introduced in the Mahatma Gandhi (New) Series, highlighting the cultural heritage and scientific achievements of the country. Distinct colours were used for different denomination and sizes reduced. Two new denominations viz. ₹2000 on 08<sup>th</sup> November 2016 and ₹200 on 23<sup>rd</sup> August 2017 were introduced in the Mahatma Gandhi (New) Series.



**Rupees Ten : Size 63 x 123 mm**



**Rupees Twenty : Size 63 x 129 mm**





**Rupees Fifty : Size 66 x 135 mm**



**Rupees One Hundred : Size 66 x 142 mm**



**Rupees Two Hundred : Size 66 x 146 mm**



**Rupees Five Hundred : Size 66 x 150 mm**



# Security Inks



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

The major inks for Passport, Visa, Stamp papers, Postal stationeries, Bank documents, certificates etc. are made at Ink Factory and supplied to different security presses like India Security Press, Currency Note Press and Security Printing Press etc. To mention a few out of major achievements of Ink Factory has in-house development of formulations for all inks, numbering inks, invisible inks, i.e. bi-fluorescent ink, infrared sensitive ink, conventional intaglio ink and the most important Quickset Intaglio Ink.

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

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

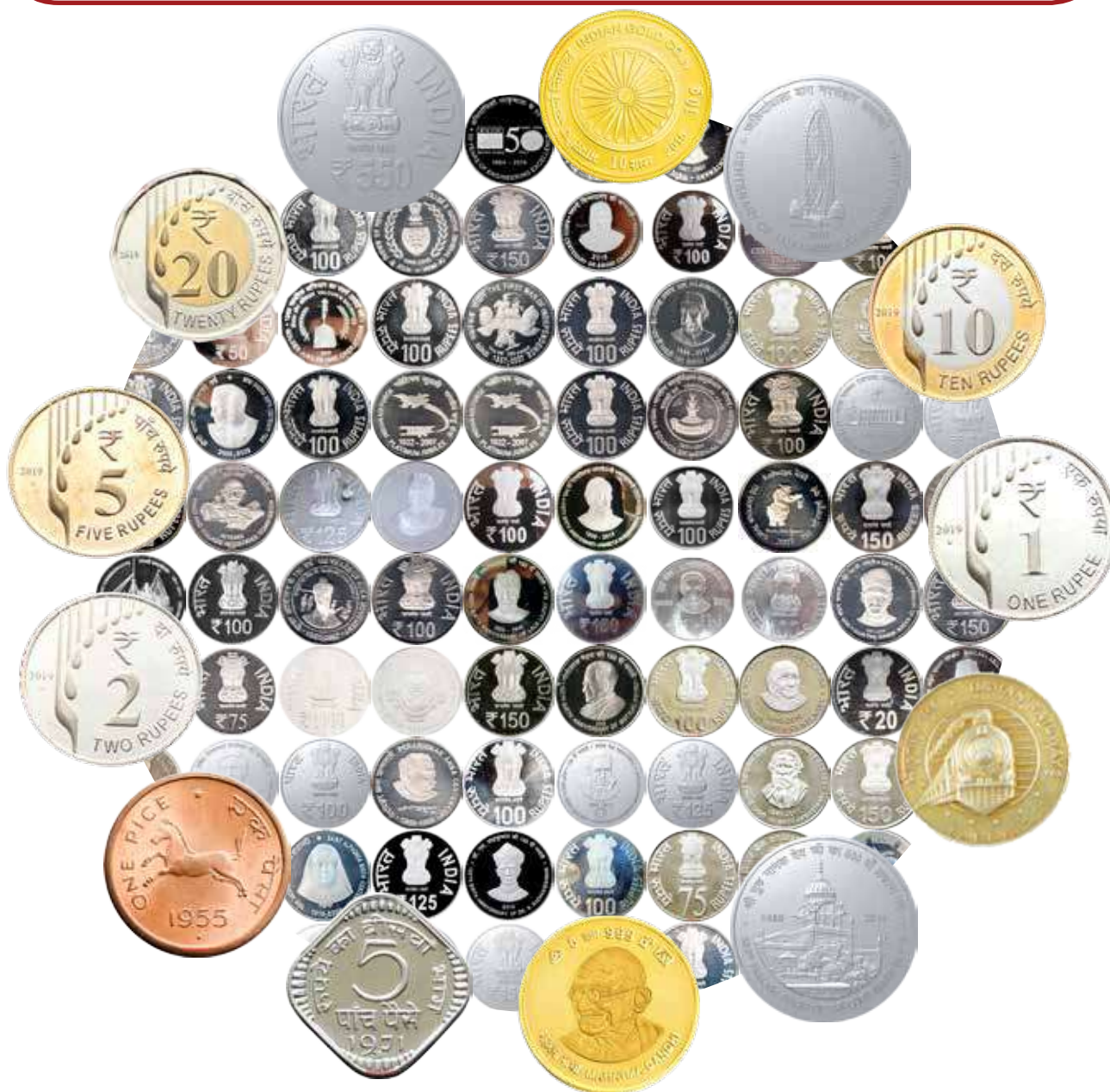




# MINTS

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

In product development and quality assurance, IGMs strictly follow global quality standards. IGMs are certified for ISO 9001, Quality Management System and ISO 14001, Environment Management System.





## NEW SERIES CIRCULATING COINS 2019 (VISUALLY IMPAIRED FRIENDLY)

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

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

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

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





# COMMEMORATIVE / COLLECTORS' COINS

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

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

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

***Commemorative coins are of two types - Proof and Uncirculated.***

## **Proof Coins**

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

## **Uncirculated Coins**

Uncirculated coins are the high quality commemorative coins which have mirror finish on the surface but without any frosted effect on the design. The uncirculated coins are also sold at premium but they are priced a little lower than the proof coins.



# A glimpse of some Commemorative Coins released during the year 2019-20



100 years of Jallianwala Bagh massacre [2019]



Vikram Sarabhai Birth Centenary [1919-2019]



150<sup>th</sup> Birth Anniversary of Mahatma Gandhi  
[1869-2019]



125<sup>th</sup> Birth Anniversary of Paramahansa  
Yogananda [1893-2018]



550<sup>th</sup> Prakash Purab of Shri Guru Nanak Dev Ji  
[1469-2019]



250<sup>th</sup> Session of Rajya Sabha [2019]





## NON COINAGE ACTIVITIES



- **Medals**

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

### A Glimpse of Medals & Mementos





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





**SPMCIL is the only manufacturer for Bharat Ratna, Padma Bhushan, Padma Shri, Padma Vibhushan, Paramvir Chakra, Mahavir Chakra & Vir Chakra.**

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



- **Assay**

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



**Indian Reference Material**

- **Gold/Silver refining**

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







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

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



**Gold Coin 10gm**



**Gold Coin 5gm**



**Gold Bar**



### **Manufacture of Weights & Measures Standards & Stamping Equipment**

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





*Manufacturer of Instruments of Faith*



# SECURITY PRESSES

## SECURITY PRODUCTS

### Preserving the sanctity of valuable documents

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

### Wide Spectrum of Security End Products

India Security Press (ISP), Nashik has exclusive

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

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

### Security Products manufactured by Security Presses are:

#### POST CARDS



#### ENVELOPS



#### INLAND LETTER CARDS



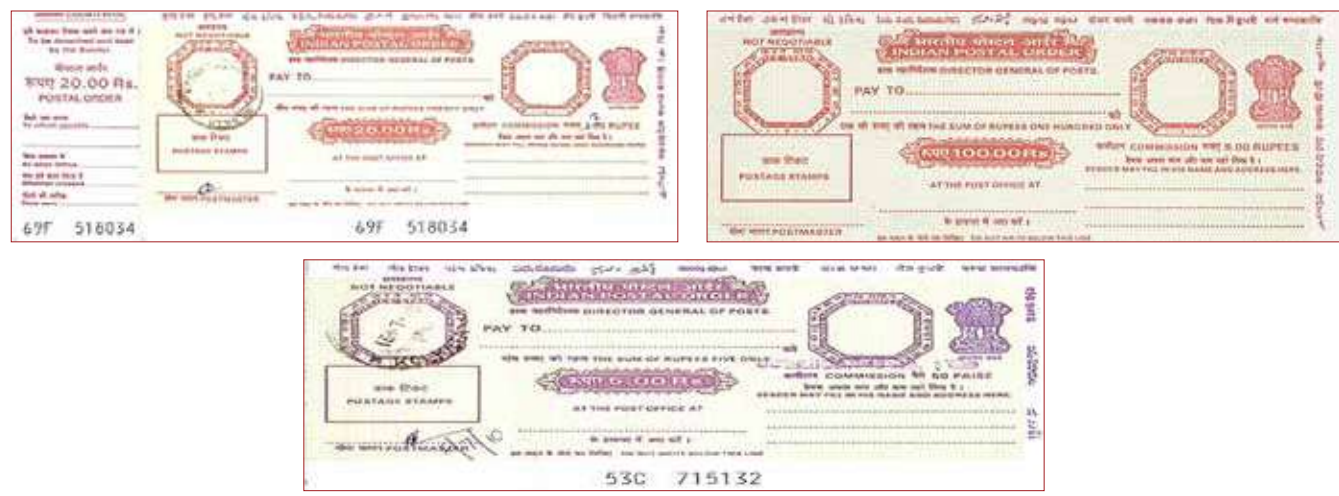




## POSTAL STAMPS



## POSTAL ORDERS



## COMMEMORATIVE STAMPS



Commemorative Postage Stamp on 125<sup>th</sup> Foundation Day of Punjab National Bank

Commemorative Postage Stamps on 100 years of Jallianwala Bagh Massacre





Commemorative Postage Stamp on Sri Vedanta Desikan



Four Commemorative Postage Stamps with focus on the sari as part of the second series on the theme 'Indian'



Two Commemorative Postage Stamps on Ahimsa Parmo Dharma, as tribute to Mahatma Gandhi during his 150<sup>th</sup> birth anniversary celebration



75 years of establishment of Fakir Mohan Autonomous College, Balasore



Two Commemorative Postage Stamps and a Miniature sheet to commemorate the bilateral relations between India and Republic of Korea



Two Commemorative postage stamps on Gandhian heritage in modern India



Commemorative Postage Stamps on Indians in First World War



Commemorative Postage Stamps on Calavala Cunnan Chetty Garu, a great philanthropist





Commemorative Postage Stamps to acknowledge the contribution made by the Master Healers of AYUSH of modern era



Four Commemorative Postage stamps portraying stages in the entire process from conceptualization to development of finished product



Six Commemorative Postage Stamps to mark the historic occasion of the 150<sup>th</sup> Birth Anniversary of Mahatma Gandhi



Commemorative Postage Stamp in honour of Marshal of the Indian Air Force Arjan Singh DFC during the 87<sup>th</sup> Anniversary celebration of the Indian Air Force



100 years of Odia daily 'The Samaja'



Four scented stamps on Agarwood and Orange blossom



Eight Commemorative Postage Stamp of Historical Gate of Indian Forts and Monuments



A Commemorative postage stamp in the honour of gallant soldiers who protected the Siachen Glacier (Highest battle field in the world)

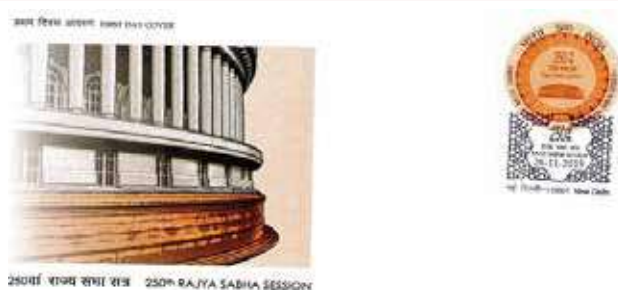




Five Commemorative Postage Stamps on the historic occasion of 550<sup>th</sup> Birth Anniversary of Guru Nanak Dev Ji



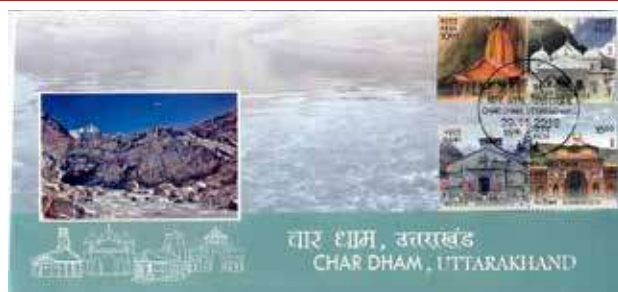
Two commemorative stamps on child rights to celebrate children's day, 2019 and to mark the 30<sup>th</sup> Anniversary of the United Nations Convention of the rights of the child (CRC) as well as 70 years of the presence of UNICEF in India



Commemorative Postage Stamp on the occasion of 250<sup>th</sup> session of Rajya Sabha



Commemorative Postage Stamp on M.M Kuzhiveli



Four Commemorative Postage Stamps on Char Dham of Uttarakhand i.e Yamunotri, Gangotri, Kedarnath and Badrinath



A Commemorative Postage Stamp as a tribute to the yeoman service and supreme sacrifices made by the "silent warriors" and devoted trainers of the RVC



Commemorative Postage Stamp on Directorate of Revenue Intelligence



A set of Twelve Commemorative Stamps on Embroideries of India





Commemorative Postage Stamp on International Labour Organisation to mark 100 years of its foundation



A Pair of Se-tenant Commemorative Postage Stamps on Constitution of India



Commemorative Postage Stamp on the occasion of 200th Anniversary of 4th Battalion (Outram's) the Rajputana Rifles



Nine Commemorative Postage Stamps on Indian Fashion - Designers Creations: Series 4



Commemorative Postage Stamps on Industrial City Jamshedpur



Five Commemorative Postage Stamps on UNESCO World Heritage Sites in India-II



वक्रतुण्ड महाकाय सूर्यकोटि समप्रभ ।  
निर्विघ्नं कुरु भे देव सर्व कार्येषु सर्वदा ॥



# भारतीय हस्तशिल्प

## Handicrafts of India



जोडोलेक उपकरण (जी आई) पञ्जीकृत हस्तशिल्प उत्पाद  
Geographical Indication (GI) Registered Handicraft Products





## PASSPORTS & ALLIED BOOKLETS



## VISA STICKERS



## NON-JUDICIAL STAMP PAPER





*Manufacturer of Instruments of Faith*



## OTHER STAMPS



## MICR & NON MICR CHEQUES



## EXCISE LABELS

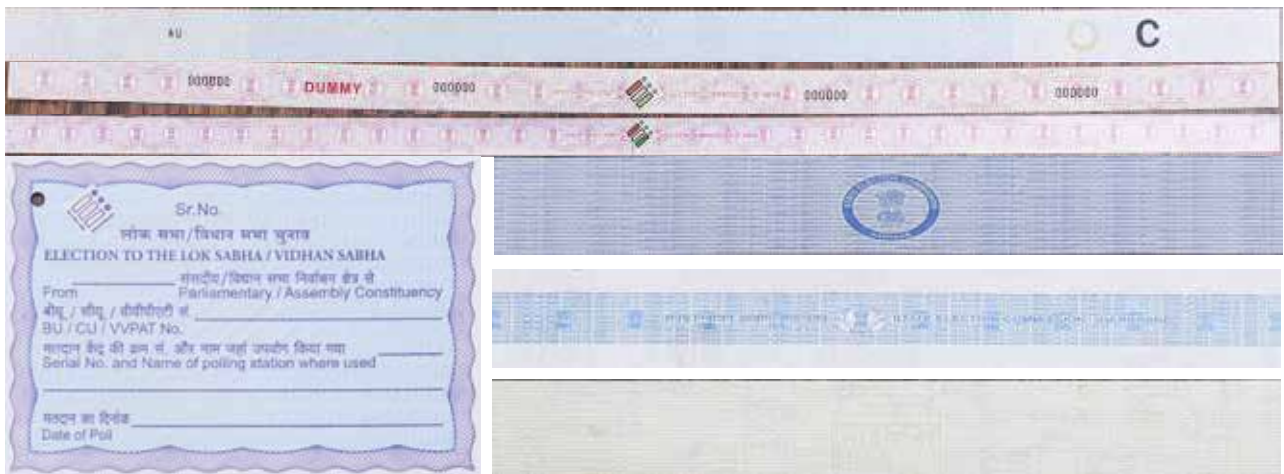




## ELECTORAL BONDS



## ELECTORAL SEALS etc.



## CERTIFICATES OF UNIVERSITIES / BOARDS / INSTITUTIONS





*Manufacturer of Instruments of Faith*



# SECURITY PAPER PRODUCTION

The Security Paper Mill (SPM), Hoshangabad and JV Company BNPMIPL, Mysuru have pioneered in high quality security paper production, where Cylinder Mould Watermark Security Paper with various overt and covert features are manufactured using the latest technology and know-how.



The Paper Mills have the distinction of incorporating numerous security features in paper viz Fluorescent Fibres, Multi tonal Three Dimensional Watermark, Electrotpe Watermark, various types of Security Threads, Taggants, etc. The eco-friendly process and the energy conservation aspects are assigned the utmost importance in the paper mills.





# Notable Clientele

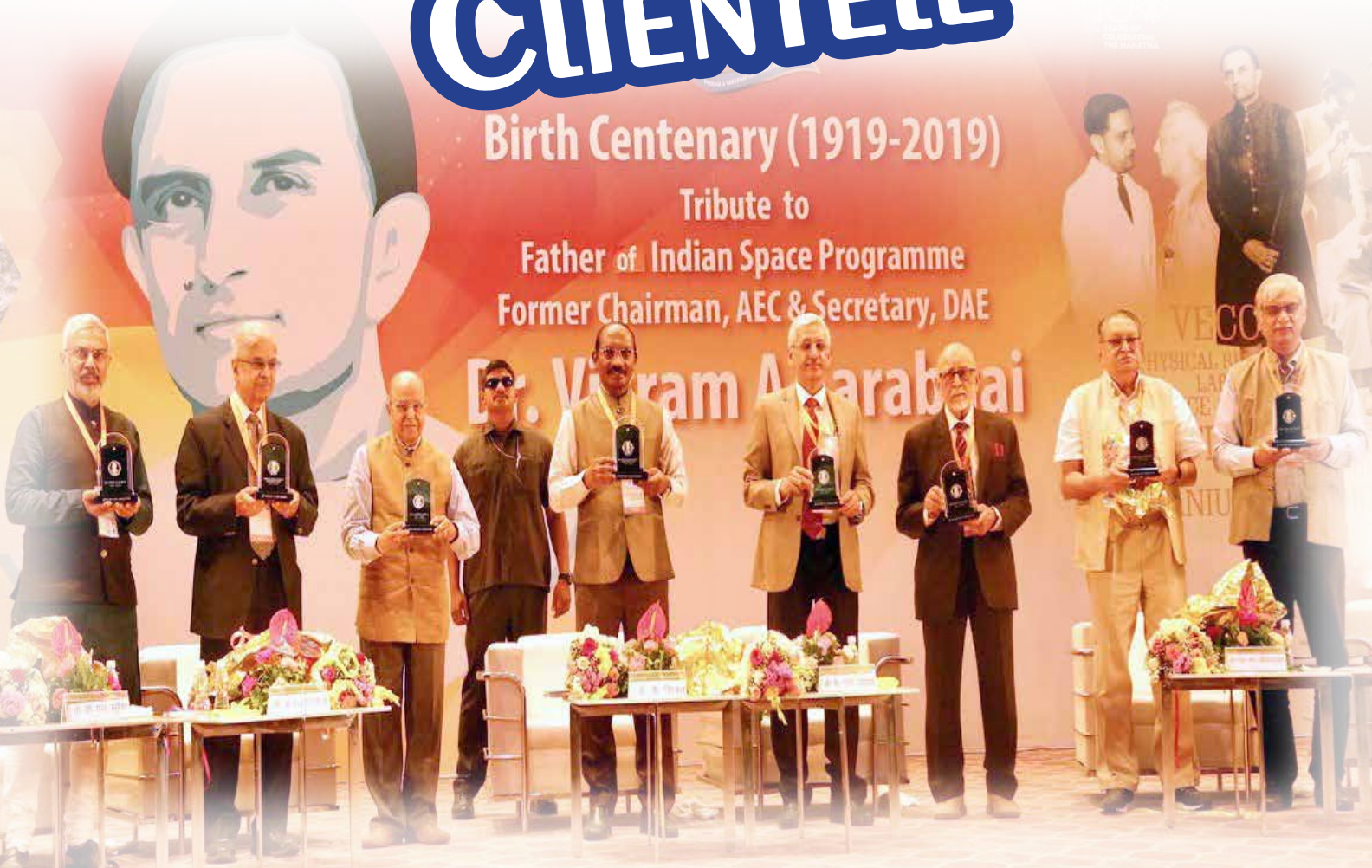
Birth Centenary (1919-2019)

Tribute to

Father of Indian Space Programme

Former Chairman, AEC & Secretary, DAE

Dr. Vikram Sarabhai







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



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

## GOVERNMENT ORGANISATIONS

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

## PRESTIGIOUS TEMPLES

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

Gold & Silver Refining







CMD and Director (HR) receiving the India's Most Trusted Companies 2019 Award from IBC Infomedia



Inauguration of Commemorative Coins Sales Counter at Corporate Office, New Delhi





Hon'ble Prime Minister releasing Commemorative Coin on the occasion of 150<sup>th</sup> Birth Anniversary of Mahatma Gandhi.



Hon'ble Union Minister for Finance & Corporate Affairs releasing Commemorative Coin on the occasion of 125<sup>th</sup> Birth Anniversary of Paramahansa Yogananda in presence of Hon'ble Minister of State for Finance & Corporate Affairs.





# DIRECTORS' Profile

A brief profile of the Directors on Board of SPMCIL as on 31<sup>st</sup> March 2020 is furnished hereunder:



**Ms. Tripti P. Ghosh**  
Chairman & Managing  
Director

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

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



**Shri Ajai Kumar  
Srivastav**  
Director (Technical)

Shri Ajai Kumar Srivastav, aged 59 years, is a graduate in Mechanical Engineering, MBA (HR) and holds Post Graduate Diploma in Personnel Management & Labour Laws. Shri Srivastav has held positions in Government of India, viz. Assistant Engineer in Department of Animal Husbandry, Dairying and Fisheries, Ministry of Agriculture and Works Manager/Senior Works Manager in India Govt. Mint, Noida under Department of Economic Affairs, Ministry of Finance (prior to corporatization). He has undergone specialized training of three months in 'Industrial Hydraulics' at Norway under India-NORAD (Norwegian Agency for Development Cooperation) development programme. Before joining as Director (Technical), SPMCIL on 29<sup>th</sup> August 2016 Shri Srivastav has held various positions like Dy. General Manager & HoD, SPP, Hyderabad, General Manager, India Government Mint, Hyderabad and General Manager, India Government Mint, Mumbai.

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

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

Shri Srivastav is also a Nominee Director of SPMCIL on the Board of Joint Venture Company, Bank Note Paper Mill India Private Limited (BNPMIPL) Mysuru, a JV between SPMCIL & BRBNMPL (Subsidiary of RBI).



**Shri S.K. Sinha**  
Director (HR)

Shri S.K. Sinha started his career as Indian Railway Personnel Service (IRPS) Officer in 1993. He is Graduate (Hons) in English Literature, Bachelor of Law and has Post Graduate Diploma in HRM.

Earlier, he has worked in various capacities in Indian Railways managing large number of human resource, employee welfare and industrial relations, with stint at Bhilai, Bilaspur, Bhubaneswar and Guwahati and then with DMRC at Delhi.

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

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

He joined as Director (HR), Security Printing and Minting Corporation of India Limited (SPMCIL) on 1st September, 2016.

In February, 2017, Sh. Sinha has been conferred with the prestigious “HR Leadership Award (PSU Focus)” in Global HR Excellence Awards organized by World HRD Congress in Mumbai. Under his leadership, SPMCIL bagged award for “Best Talent Organization of the year” at National Awards-Talent Management Leadership on 5th July 2019 at Mumbai organized by World HRD Congress & “Best in class for Training & Development” in the 18th Edition of the Asia Pacific HRM Congress held on 17th September, 2019 at Bengaluru. He has also been conferred with “Nurturing Leadership Award – 2020” for SPMCIL in January, 2020. It was based on a jury selection under the aegis of IIPA.

He is also a member on the Board of BNPMIPL (a joint venture of SPMCIL and Bharatiya Reserve Bank Note Mudran Pvt. Ltd, a subsidiary of RBI).





**Shri Ajay Agarwal**  
Director (Finance)

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

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

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

Shri Ajay Agarwal has more than 28 years of experience and expertise in corporate finance, corporate governance, capital structuring, equity and debt funding, strategic business planning, projects funding, treasury and financial management, financial and internal control, supply chain management, budgetary and cost control, process improvement, compliance, statutory and management reporting.



**Ms. Meera Swarup**  
Director (Govt. Nominee,  
Ministry of Finance)

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

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

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

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



**Dr. Shashank Saksena**

Director (Govt. Nominee,  
Ministry of Finance)

Dr. Shashank Saksena, an Indian Economic Service officer from the 1987 batch, has degrees of M.A. in Economics, M.Sc. in Macro Economic Policy and Planning for Developing Countries, LL.B., and Ph.D. in Agricultural Economics.

He is Sr. Economic Adviser in the Department of Economic Affairs, Ministry of Finance and is involved with the formulation of financial sector policy and legislative reforms and financial stability issues. He has also worked on policy reforms in Agricultural Price Policy, Capital Market, External Commercial Borrowings, Banking Sector, Pension Reforms and State Finances in various Central Ministries. He has published several technical papers in many edited Books and News Magazines.

He has been nominated as Part-time Govt. of India Nominee Director from Ministry of Finance on the Board of SPMCIL w.e.f. 14th November 2019.



**Shri Arun K. Chatterjee**

Director (Nominee,  
Ministry of External  
Affairs)

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

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

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





**Ms. Punya Salila Srivastava**

Director (Govt. Nominee,  
Ministry of Home Affairs)

Ms. Punya Salila Srivastava is an Indian Administrative Service Officer of AGMU Cadre belonging to 1993 batch. She has done her B.Sc. (Hons) and M.Sc. in Physics from St. Stephens College, University of Delhi and Masters in Public Management from University of Maryland, USA in 2009.

Currently she is functioning as Additional Secretary in the Ministry of Home Affairs. She has been appointed as part-time Govt. of India Nominee Director from Ministry of Home Affairs on the Board of SPMCIL w.e.f. 24<sup>th</sup> February 2020.



**Dr. Amarpreet Duggal**

Director (Nominee,  
Department of Posts)

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

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

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

# Directors' Report







## DIRECTORS' REPORT

### TO THE MEMBERS,

The Board of Directors of your Company is pleased to present 15<sup>th</sup> Annual Report on the performance of your company for the financial year ended March 31, 2020 along with Audited Financial Statements, Auditor's Report, Secretarial Auditor's Report & report by the Comptroller and Auditor General of India.

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

### PHYSICAL PERFORMANCE

Keeping in line with the past trend, Financial Year (FY) 2019-20 has proved to be yet another year of excellence and achievements. Backed by passionate and zealous workforce, your Company has prospered in following manner:

#### ▪ Bank Notes

Your Company has produced 9824 million pieces of the Bank Notes and supplied 8453 million pieces of Bank Notes to Reserve Bank of India (RBI) during the year 2019-20. This is 6.28% lower than the production of 10482 million pieces of the Bank Notes during the last year i.e. 2018-19 and this reduction in production is due to lockdown declared by the Government of India to combat the outbreak of COVID-19 pandemic. Production of the Bank Notes per employee has increased to 3.33 million pieces in 2019-20 as against 3.29 million pieces achieved during the last year 2018-19.

#### ▪ Circulating Coins

Your Company has produced 3282 million pieces of the Circulating Coins and supplied

3169 million pieces of the Circulating Coins to RBI during the year 2019-20. This is 38.43% lower than the production of 5331 million pieces of Circulating Coins achieved during the last year 2018-19. Production of Coins per Employee has also decreased to 1.55 million pieces in 2019-20 as against 2.24 million pieces achieved in the last year 2018-19. The decrease in the production of Circulating Coins is mainly due to huge reduction in the indent of Circulating Coins by RBI during the year 2019-20.

#### ▪ Security Paper

Your Company has produced 7010 Metric Ton (MT) of Security Paper and supplied 6765 MT of Security Paper to the printing presses during the year 2019-20. This is 16.77% higher than the production of 6003 MT of Security Paper during the last year 2018-19. Production of Security Paper per Employee has increased to 7.03 MT in the year 2019-20 as against 5.68 MT achieved during the previous year 2018-19.

#### ▪ Security Inks

Your Company has produced 850.93 Metric Ton (MT) of Security Inks in the year 2019-20 at Ink Factory, Dewas and supplied 861.09 Metric Ton Inks to printing presses during the year 2019-20. This is 13.14% higher than the production of 752.12 MT of Security Inks during the last year 2018-19. Production of Security Ink per Employee has increased to 13.30 MT in the year 2019-20 as against 11.23 MT achieved during the previous year 2018-19.

#### ▪ Passport / Non-Judicial Stamp Papers

Your Company has produced 14.72 mpcs of travel documents/passport booklets in the year 2019-20 and supplied 14.96 mpcs travel documents/ passport booklets to Ministry of External Affairs (MEA) during the year 2019-20. This is 4.32% higher than the production of 14.11 mpcs of travel documents/ passport booklets during the year 2018-19. Your company has also produced 341.36 mpcs of Non-Judicial



Stamp Papers (NJSPs) in the year 2019-20 and supplied 288.36 mpcs NJSPs to various State Governments during the year 2019-20. This is 10.31% higher than the production of 309.46 mpcs of NJSPs during the year 2018-19.

## FINANCIAL RESULTS

The Financial Statements of your Company for the year 2019-20 along with the comparative Financial Statements of 2018-19 have been prepared in accordance with Ind AS. The Revenue from Operations of your Company has decreased to ₹4966.07 crores in 2019-20 from ₹5711.34 crores in the previous year 2018-19. The decrease in revenue is due to reduction in production/sales due to lockdown declared by the Government of India to combat the outbreak of COVID-19 pandemic. Total expenditure for the year 2019-20 is ₹4149.58 crores as compared to ₹5024.53 crores (regrouped) for the year 2018-19. Profit before Tax (PBT) from continuing operations for the year 2019-20 is ₹1026.79 crores as compared to ₹800.69 crores (regrouped) for the year 2018-19 registering a growth of 28.24% over previous year. The Company has achieved a Total Comprehensive Income (TCI) of ₹547.36 crores in the year 2019-20 as compared to ₹517.12 crores (regrouped) in the year 2018-19. The consolidated TCI after taking into account the 50% share of Joint Venture Company, Bank Note Paper Mill India Pvt. Ltd. (BNPMIPL) is ₹677.93 crores in the year 2019-20 as compared to the Consolidated TCI of ₹605.99 crores (regrouped) in the year 2018-19.



## REVENUE FROM OPERATIONS PER EMPLOYEE (₹ in Lakhs)



The summary of audited financial results of the Company on standalone basis for the financial year 2019-20 vis-à-vis 2018-19 (regrouped) is given hereunder:

(₹ in Lakh)

| PARTICULARS                            | F.Y.<br>2019-20 | F.Y.<br>2018-19<br>(Regrouped) |
|----------------------------------------|-----------------|--------------------------------|
| Revenue from Operations                | 4,96,607        | 5,71,134                       |
| <b>Add: Other Income</b>               | 21,030          | 11,388                         |
| Total Income                           | 5,17,637        | 5,82,522                       |
| <b>Less: Total Expenses</b>            | 4,14,958        | 5,02,453                       |
| Profit Before Tax (PBT)                | 1,02,679        | 80,069                         |
| <b>Less: Taxation</b>                  | 49,919          | 28,731                         |
| Profit for the Year                    | 52,760          | 51,338                         |
| <b>Add: Other Comprehensive Income</b> | 1976            | 374                            |
| Total Comprehensive Income             | 54,736          | 51,712                         |
| Reserves & Surplus                     | 3,32,209        | 3,30,532                       |
| Net Worth                              | 4,30,959        | 4,36,956                       |
| Borrowings                             | -               | -                              |
| Final Dividend                         | 21,548          | 21,848                         |

## BAYBACK OF EQUITY SHARES

During the year 2019-20, in accordance with the guidelines on Capital Restructuring of CPSEs issued by the Department of Investment and Public Asset Management (DIPAM), your Company has had bought back 7,67,40,260 Equity Shares of face value of ₹10/- each at the book value of ₹38.24 per share from Government of India. The total amount of consideration was ₹293.45 crores. The





free reserves of the Company had been utilized for the purpose of aforesaid buyback of shares. The total outgo on account of aforesaid buyback of shares was ₹343.94 crores including applicable tax of ₹50.49 crores. The consideration against the aforesaid buyback was paid on 25.02.2020 to the Government of India.

## MOU PERFORMANCE

Your Company has been granted the 'Very Good' rating by the Department of Public Enterprises (DPE) for its MoU for the year 2018-19. For the year 2019-20, the self-evaluation report of MoU duly approved by Board and Administrative Ministry has been sent to DPE. Your company has signed MoU for the year 2020-21 with Department of Economic Affairs, Ministry of Finance on 11.11.2020.

## ACTIVITIES AT A GLANCE

Your company is functioning through nine units of five production verticals i.e. India Government Mints, Currency Printing Presses, Ink Factory, Security Printing Presses and Security Paper Mill. A brief introduction of SPMCIL production network along with review of operational activities during the year 2019-20 is as follows:

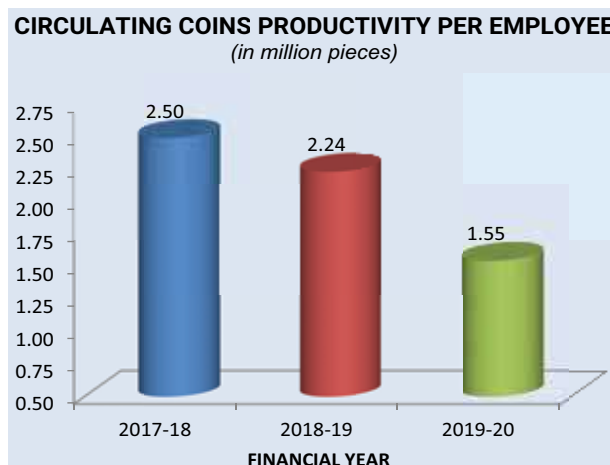
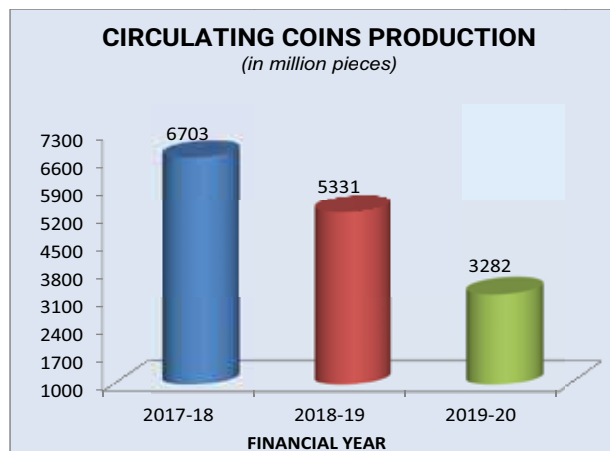
### 1. MINTS

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

During the year 2019-20, the four mints have produced 3282 million pieces of Circulating Coins as against 5331 million pieces produced during the year 2018-19. The production per employee during the year 2019-20 has decreased to 1.55 million pieces from 2.24 million pieces during the year 2018-19. During the year 2019-20, the Mints have also produced 1134 million pieces coin blanks as against 2443 million pieces produced during the year 2018-19.

During the year 2019-20, IGM, Noida has produced 877.45 million pieces of circulating coins as against 1446.31 million pieces produced in the year 2018-19. IGM, Mumbai has produced 881.96 million pieces of circulating coins in the year 2019-20 as against 1306.19 million pieces

produced in the year 2018-19. IGM, Hyderabad has produced 807.07 million pieces of circulating coins in the year 2019-20 as against 1138.46 million pieces produced in the year 2018-19. IGM, Kolkata has produced 715.95 million pieces of circulating coins in the year 2019-20 as against 1440.01 million pieces produced in the year 2018-19.



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

- IGM, Mumbai is doing integral activity of gold melting and processing along with having a fully equipped Assay Department. During the Gold Control Act, Mumbai Mint was the only authorized unit to process Gold in any form other than Jewellery. Bhartiya Nirdeshak Dravya (BND) 4201 is a Gold certified reference material of 999.9 fineness. IGM, Mumbai has developed this Certified Reference Material (CRM) with research and development inputs from Bhabha



Atomic Research Centre (BARC) and CSIR-National Physical Laboratory (NPL).

- In India, this is the first time that CRM for Gold has been manufactured indigenously under the Make-in-India initiative. BND is traceable to SI (Système International d'Unités) units of National Physical Laboratory (NPL).
- Gold CRM helps to develop accurate methods of analysis using different scientific analytical instruments like XRF, ICP-OES, Spark-OES. It is used to calibrate measurement systems of primary methods like Fire Assay (cupellation) used to facilitate exchange of Gold materials of different derivatives like Jewellery, Bullion and artefacts. It helps in establishing quality control, determine performance characteristics or measure a property accurately. It helps to ensure the long-term adequacy and integrity of measurement quality assurance system.
- IGM, Mumbai has obtained the NABL accreditation certificate for Fire Assay of Gold and Assaying of Silver. IGM, Mumbai and IGM, Kolkata have also obtained BIS Licence to use the standard mark for Gold Coins. IGM, Mumbai has the facility of gold refining and can process gold upto a fineness of 999.99g/kg. Apart from the above, IGM, Mumbai was entrusted with the job of manufacturing Indian Gold Coins under Gold Monetisation Scheme of Government of India with high quality standard and stringent security features.
- During the year, IGM, Mumbai has produced 13416 nos. of Medals, 7043 nos. of Souvenir Coins, 4147 nos. Weights & Measures and done refining of 3.3 metric ton of Gold and 600 Kgs. of Silver.

### COMMEMORATIVE COINS

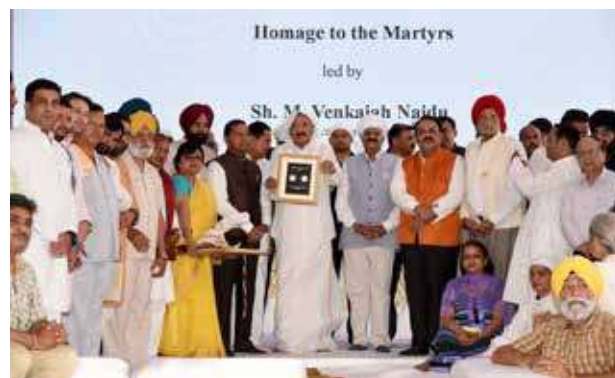
During the year 2019-20, the following commemorative coins have been released:

#### ■ Centenary of Jallianwala Bagh Massacre

India Government Mint, Kolkata has manufactured the Commemorative Coin of ₹100 QA on martyrs of Jallianwala Bagh Massacre,



which was released by the Hon'ble Vice President of India, Shri M. Venkaiah Naidu, while paying homage to martyrs of Jallianwala Bagh massacre on the centenary of the gruesome incident, at the Jallianwala Bagh Memorial in Amritsar on 13<sup>th</sup> April 2019.



#### ■ Dr. Vikram Sarabhai Birth Centenary Year

IGM, Kolkata has manufactured the Commemorative Coin of ₹100 QA on Birth Centenary celebration of Dr. Vikram Sarabhai which was released by the Chairman, Indian Space Research Organisation (ISRO), Dr. K. Sivan along with other dignitaries from Department of Atomic Energy during inaugural function of Birth Centenary celebration of Dr. Vikram Sarabhai at Gujarat University Convention & Exhibition Centre in Ahmedabad on 12<sup>th</sup> August 2019.

#### ■ 150<sup>th</sup> Birth Anniversary of Mahatma Gandhi

India Government Mint, Mumbai has manufactured the Commemorative Coin of ₹150 Silver on 150<sup>th</sup> Birth Anniversary of Mahatma Gandhi which was released by the Hon'ble Prime Minister, Shri Narendra Modi on the occasion of 150<sup>th</sup> Birth Anniversary of Mahatma Gandhi at Ahmedabad, Gujarat on 2<sup>nd</sup> October 2019. The Governor of Gujarat, Shri Acharya Dev Vrat and the Chief Minister of Gujarat, Shri Vijay Rupani were present on that occasion.

#### ■ 125<sup>th</sup> Birth Anniversary of Paramahansa Yogananda

IGM, Kolkata has manufactured the Commemorative Coin of ₹125 QA on 125<sup>th</sup> Birth Anniversary of Paramahansa Yogananda which





was released by the Hon'ble Union Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman at a function in New Delhi on October 29, 2019. The Hon'ble Minister of State for Finance & Corporate Affairs, Shri Anurag Thakur, Secretary Ministry of Culture, Shri Arun Goel, Swami Vishwananda Giri, Swami Smaranananda Giri and other monks & devotees were also present during the release of coin.

#### ▪ **550<sup>th</sup> Prakash Purab of Shri Guru Nanak Dev Ji**

India Government Mint, Kolkata has manufactured the Commemorative Coin of ₹550 QA on 550<sup>th</sup> Prakash Purab of Shri Guru Nanak Dev Ji which was released by Hon'ble Prime Minister, Shri Narendra Modi on the occasion of 550<sup>th</sup> Prakash Purab of Shri Guru Nanak Dev Ji at the Gurudwara Ber Sahib in Sultanpur Lodhi,

Punjab on 9<sup>th</sup> November 2019. The Hon'ble Chief Minister of Punjab Shri Amrinder Singh and other dignitaries were also present in the event.

#### ▪ **250<sup>th</sup> Session of Rajya Sabha**

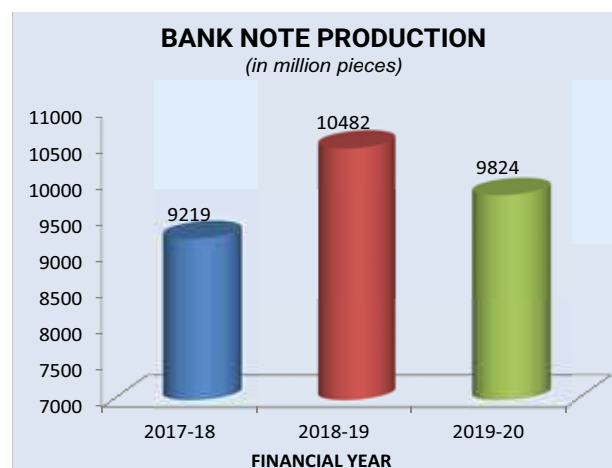
IGM, Mumbai has manufactured the Commemorative Coin of ₹250 on 250<sup>th</sup> Session of Rajya Sabha which was released by the Hon'ble President of India, Shri Ram Nath Kovind, along with the Hon'ble Vice President, Shri Venkai Naidu, Hon'ble Prime Minister, Shri Narendra Modi during the celebration of the landmark of 250<sup>th</sup> session of Rajya Sabha on 26<sup>th</sup> November, 2019. Hon'ble Speaker of Lok Sabha, Shri Om Birla and Hon'ble Member of Parliament, Shri Prahalad Joshi were also present on this occasion.

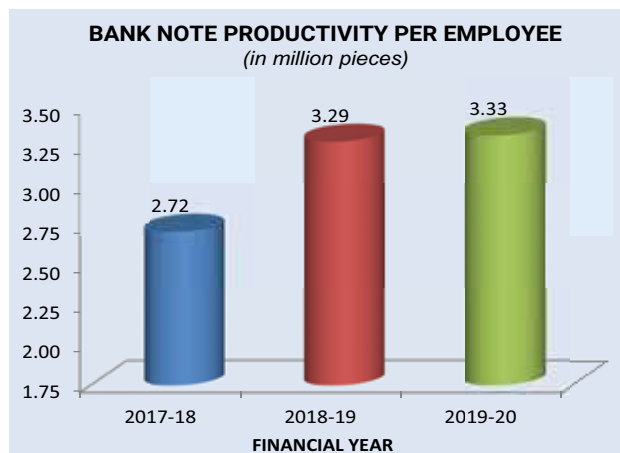


## 2. CURRENCY NOTE PRESSES

There are two Currency Printing Presses i.e. Currency Note Press (CNP), Nashik and Bank Note Press (BNP), Dewas. CNP, Nashik has produced 5205 million pieces of Bank Notes in the year 2019-20 as against 6044 million pieces produced in the year 2018-19. CNP, Nashik has supplied 4727 million pieces of banknotes to RBI during the year 2019-20 as against 5906 million pieces of Bank Notes supplied during the last financial year, 2018-19. BNP, Dewas has produced 4619 million pieces of Bank Notes in 2019-20 as against 4438 million pieces in the previous year 2018-19. BNP, Dewas has supplied 3726 million pieces of Bank Notes to RBI during the year 2019-20 as against 4400 million pieces of

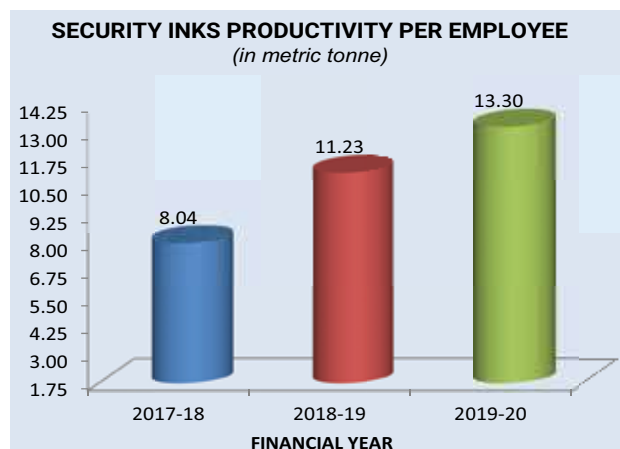
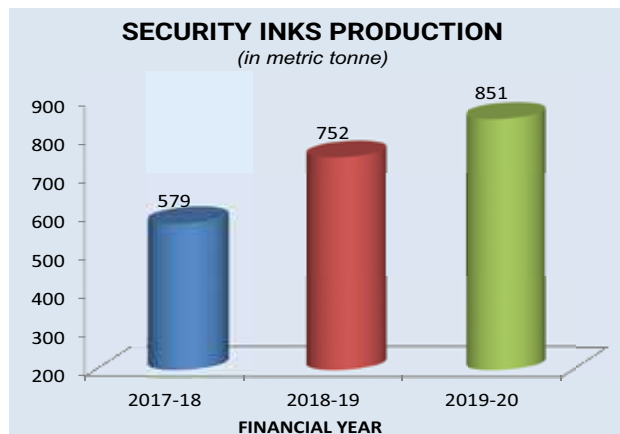
Bank Notes supplied during the last financial year, 2018-19.





### 3. INK FACTORY AT DEWAS

Ink Factory is manufacturing Offset Ink, UV Ink and Quickset Intaglio Ink. During the year 2019-20, Ink Factory has manufactured 850.93 MT of Inks as against 752.12 MT of inks produced during the previous year 2018-19. Ink Factory has supplied 861.09 MT of Security Inks to printing presses during the year 2019-20 as against 737.64 MT of Security Inks supplied during the last financial year 2018-19.



### 4. SECURITY PRINTING PRESSES

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

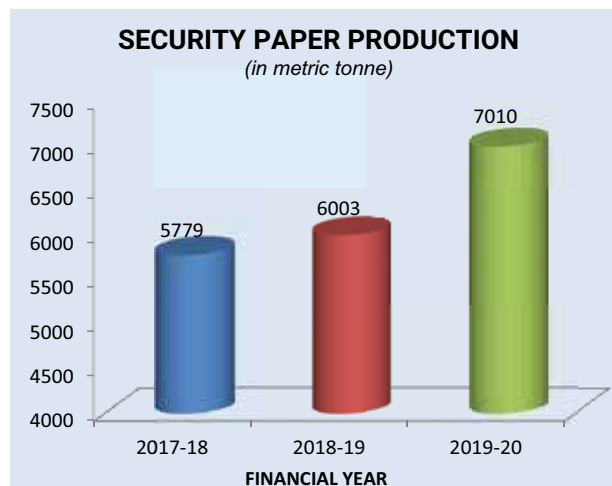
During the year 2019-20, your company has printed 14.72 million pieces of travel documents/ passport booklets as against 14.11 million pieces in the previous year. The increase in the production of travel documents/passports is due to increase in indent from Ministry of External Affairs. During the year 2019-20, your Company has printed 341.36 million pieces of NJSPs as against 309.46 million pieces printed during the year 2018-19.

### 5. SECURITY PAPER MILLS

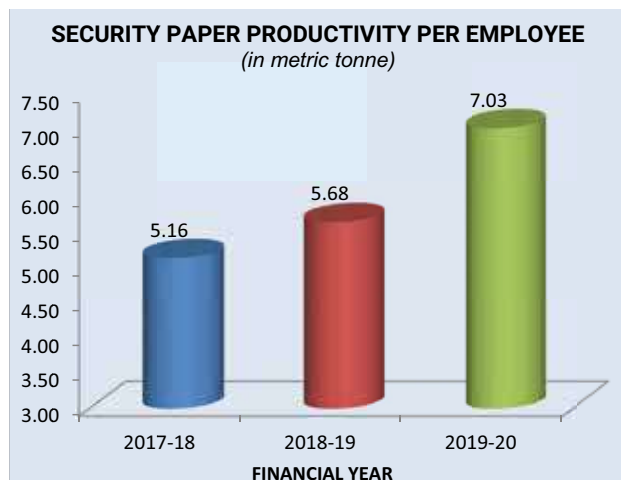
#### (a) Security Paper Mill, Hoshangabad

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

During the year 2019-20, your company has produced 7010 MT of Security Paper and supplied 6765 MT of Security Paper to the presses. This is 16.77% higher than the production of 6003 MT of Security Paper during the year 2018-19.







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

SPMCIL has a Joint Venture Company in the name of Bank Note Paper Mill India Private Limited (BNPMIPL). It is a Green-Field project of CWBN Paper manufacturing having total capacity of 12000 MT per annum consisting of two state-of-the-art technology paper lines of the capacity of 6000 MT each per annum. BNPMIPL has produced 15874 MT of Security Paper during the year 2019-20 against the production of 15163 MT during the previous year 2018-19.

**MODERNISATION AND CAPACITY AUGMENTATION**

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

**Currency Presses**

- Installation and commissioning of complete printing line consisting of one Offset machine, one Intaglio machine, one Numbering along with varnishing machine & one Finishing machine each at BNP, Dewas and CNP, Nashik is in advance stage and shall be completed in the financial year 2020-21. In addition to the above, one intaglio machine each at BNP, Dewas and CNP, Nashik shall also be installed and commissioned in the financial year 2020-21.
- BNP, Dewas has installed and commissioned Random Numbering System (CRN) on Numbering Machine no.6 which has improved

the Automation and Productivity of the Bank Note and this technology up-gradation will result into saving of ₹3.84 crores (approx.) per machine per year.

- BNP, Dewas has also upgraded two numbers of Guillotine (cutting) machine which has increased the efficiency, reduced breakdown time and increased availability of indigenous spares. This up-gradation has also saved the spares cost and energy consumption. This unit is also in the process of installation of modified touch free suction drum on the Simultan machine No. 7 & 8 which shall increase the speed of machine and reduce the down time due to paper jamming on feeder.

**Ink Factory**

- Ink Factory, Dewas has installed and commissioned the Base Ink Handling System in the Ink Factory. The concept has been developed in-house and machinery has been designed, developed, manufactured and supplied by Pune based Indian OEM. This is indigenous substitute of Graco (USA) made similar machinery. The Dust Collection System has also been installed and commissioned in Ink Factory, Dewas which has been designed, developed, manufactured and supplied by Coimbatore based Indian OEM. These projects are part of the initiatives to promote "Make in India".
- As per the recommendations of Group of Experts (GoE) constituted by RBI, installation of Tack Testers (2 nos), Digital Ink Rub Tester (1 no.), Ink Drying time recorder (1 no.), Lab Assessment Cabinet (1 no.) has been completed at Ink Factory, Dewas. This has enhanced the laboratory strength through introduction of modern techniques of Ink testing thereby yielding more accurate test results and quality control. Ink Factory, Dewas has also installed one Laboratory Balance to meet the increased work volume at QC lab due to increase in the production.

**Mints**

- IGM, Noida has installed Surface Grinding



Machine which has improved the product quality and production rate. Further, the possibility of human errors in tool changing and other works has been eliminated by adopting computer programme.

- IGM, Kolkata has installed the following equipment/machineries to improve the productivity:
  - Spot laser Welding Machine for welding/brazing of Front and Back plate of Cupro Nickel medal claps, fittings wire of Tombac Bronze.
  - Polishing machine (Buff) with Built-in Dust Collector for surface finishing and polishing of different medals.
  - Rectifier (IGBT type) which will ripple <2% for high precision electrolysis having efficiency @ >95%. This will provide least adulterated product of elemental silver/gold at the cathode.
  - Emission Stalk which will prevent air pollution from toxic oxides during melting of base metals/precious alloys with base metal. The spark arrester and bag filters have been introduced for compliance of environmental issues arising out from melting in Induction Furnace. The unit has also procured Drum Tilter and Air Compressors. These machines will improve the product quality.

### **Printing Presses**

- ISP, Nashik has done up-gradation of Power House by replacement of existing 3 nos. 500 KVA Transformers in Substation No.1 with 1000 KVA Energy Efficient Transformers along with construction of new HT room and HT panel with VCB's and required latest protection system.
- SITC of latest Fire Alarm Protection System has been installed in remaining areas of ISP, Nashik where Fire alarm system was not installed earlier.
- SPP, Hyderabad has done retrofitting of add-on equipment like Hot Stamping, Varnishing, Embossing and auto inking system on



Rotatek-II machine. With retrofitting on these equipment, printing of special commemorative postage stamps with features like silver foiling, embossing and varnishing is being done successfully. SPP, Hyderabad has also printed and supplied the Stamps with fragrance inks during the period.

- SPP, Hyderabad has also installed Paper Testing Equipment like Tensile Strength Tester, Bending Resistance, Digital Micrometre, Cobb tester, Folding Endurance Tester, Gloss meter, Electronic Weighing Balance etc. during the year 2019-20.

### **Paper Mill**

- SPM, Hoshangabad has replaced 11 KV Oil Circuit Breaker (OCB) by Vacuum Circuit Breaker (VCB). This will avoid fire accident, improve electrical safety and reduce tripping time and reduce fault at the lowest level.
- SPM, Hoshangabad has also installed and commissioned Air Filtration Unit at pulp plant. This Automated Air Filtration Unit with fibre recovery make the environment healthy for the employees working at pulp plant. Further, it has increased the daily pulp production by around one metric ton as the shutdown of one hour for cleaning of dust bags of air filtration unit is not required anymore. It has also reduced the cotton comber waste to 25 kgs per day from 150 kgs per day through fiber recovery system which results in increase of pulp yield by 0.5%. There is a saving of ₹1.20 crore (approx.) per year as a replacement of Bleached Cotton Comber Pulp and ₹44 lacs (approx.) towards cost of Cotton comber per year.
- SPM, Hoshangabad has also installed and upgraded the following equipment to improve the productivity of security paper:
  - Online Brightness Sensor to maintain the uniform brightness of pulp and take the required corrective action within time.
  - **Up-gradation of Silk Dosing Panel Control System:** All hardware and relay based systems were upgraded to latest PLC and





HMI based control system.

- **Up-gradation of 3 nos. Guillotine Machine:** Replacement of 2nd generation TTL logic based 8 nos. control cards by PLC and HMI.
- Ink marking system has been implemented for each thread in Non-Judicial Stamp Gr-II paper to prevent thread breaking/missing of thread. With implementation of this system, only missing thread marked paper is spoiled thus reducing paper wastage.
- Installation of new air compressor of capacity 100 CFM in pulp plant leading to minimization of breakdown.
- Installation of Lubricating Oil Purifier to increase Mean Time Between Failure (MTBF) of central oil lubrication and hydraulics of paper machine to remove impurities in the oil.

## HUMAN RESOURCE MANAGEMENT

Your Company recognises the importance of its employees, the passion and drive they possess to take the organisation to new heights. The manpower strength of your Company at the end of year 2019-20 was 8218. Your Company provides employees with numerous opportunities to increase their knowledge, skills and abilities and enables them to grow in their careers. SPMCIL is also proud of the diverse mix of its employees who work with an edge over others in the industry.

The details of major HR initiatives during the year 2019-20 are listed below:-

### ▪ On-boarding Policy

Employee on-boarding introduces new recruits to the important aspects of the company i.e. values, culture, and the people. It's an opportunity for employees to feel comfortable in their new role, understand how their role impacts the business, learning what type of behaviours are expected from them and also to instil sense of pride and belongingness. Keeping in view the importance of Effective Onboarding, the structured plan has been approved by the Management covering two important components:

- Welcome Kit/ Joining kit
- Structured Orientation Programme

Onboarding Policy has been implemented for the batch of newly recruited Executives at E-1 level. Well-designed Welcome Kits were given to all new recruits and also the structured Orientation Programme was conducted at Mumbai from 2<sup>nd</sup> December to 7<sup>th</sup> December 2019. Welcome Kit comprising of the following was given to the new recruits:

- Welcome letter from the CMD
- Company merchandise (products with SPMCIL logo):
  - A coffee mug
  - A T-shirt
  - Notepad
  - Pen
- A pen drive containing a presentation on the Company, highlighting Company's history and achievements.
- Tree Certificate purchased from "Grow Trees". The certificate was in the honor of each of the new recruits through which bunch of 5 trees were planted in the name of the new recruit in a project of their choice.
- HP Laptop with Bag

The programme was appreciated by the new recruits.



*Group photograph of participants in orientation programme for newly recruited executives*

### ▪ Exposure to Industry Global Best Practices

In order to keep abreast with the global best practices in the areas of Security Printing, Currency Printing and Minting of Coins, Executives across different functional areas



were sent abroad for attending International Conferences on the related themes. In the year 2019-20, a total of 17 Executives belonging to various disciplines i.e. HR, Technical, Finance, IT etc. have attended 5 different International Conferences organised across the globe with focus on the latest trends in the market, technology advancements, limitations and challenges in the Industry etc.

#### ▪ **Learning and Development**

In line with the Company's philosophy of continuously harnessing employees' potential and developing them to become more capable professionals and future leaders, structured training has been imparted to employees of the Company across all levels. A comprehensive Training Calendar covering the Technical areas was notified on 27.02.2019 and a Training Calendar covering the non-Technical areas was notified on 12.06.2019. Accordingly, throughout the year, training programs have been conducted in-house across the Company and various outbound customised programs have also been conducted. In addition, the employees have been nominated to attend the Training Programs being organised by the Premier Institutes.

#### ▪ **Strengthening of Middle Management Level**

The Executive posts in the Company were mostly sanctioned at Cluster-I (E-1 to E-3 Level) and the middle and top levels were weak. The ratio of distribution of manpower in the pyramid was uneven and disproportionate. An urgent need was felt to strengthen the middle management level to balance the problems arising due to gap in the hierarchy and to create a leadership pipeline for preparing the Middle management level executives to take up senior responsible positions in future. With the approval of the Board of Directors and the Administrative Ministry, 100 posts have been diverted from Junior Management Level i.e. Cluster-1 (E-1 to E-3 Level) to Middle Management Level i.e. Cluster-II (E-4 to E-5 Level) in a phased manner



over a span of 5 years. In the first phase, 31 Executives have been promoted from E-3 to E-4 level on 31.12.2019. This move has also provided career avenues to the employees who were facing stagnation and has boosted the overall morale of the Executives.

#### ▪ **Employees Welfare**

Medical Camps were organised at various Units and Corporate Office during the year 2019-20:

- Free Health Check-up camp of KIMS Hospital was organized on 14<sup>th</sup> July 2019 at IGM, Hyderabad.
- Free Eye Check-up camp of Solis Eye Care Hospital was organized on 21.09.2019 at IGM, Hyderabad.
- **Two Days Pulmonary Check-up for Dust Exposure of Employees :** On the occasion of Industrial Safety Week, SPM, Hoshangabad had organized two days in-house pulmonary check-up for employees who were exposed to cotton, carbon dust in the work place. This check-up was conducted on 27.11.2019 & 28.11.2019 for the benefit of the employees. There were 170 employees benefited from this check-up. All precautions and medical reports have been maintained as per provisions of Factories Act, 1948.



*In house Pulmonary Check-up for Employees at SPM, Hoshangabad*

- **Two Days Eye Check-up Camp at SPM, Hoshangabad:** SPM, Hoshangabad had also organized two days eye check-up camp from 29.11.2019 to 30.11.2019. There were 215





employees benefited from this camp.

- The Eye check-up camp had been organized by doctors of ICARE Eye Hospital, Noida on 21<sup>st</sup> August 2019 at SPMCIL Corporate Office, New Delhi. The activities covered during the camp were eye test on Auto Refractometer Machine, colour vision check-up, near / far vision check-up etc. After the Camp, a health talk on eye care was addressed by one senior consultant of the hospital.
- Acupressure and Su-Jok Therapy camps for the employees of the Corporate Office had been organized by Institute of Alternate Therapy at SPMCIL Corporate Office, New Delhi.
- As a Welfare measure for female employees, a session on Breast Cancer Prevention by Dr. Saphalta Baghmar, Medical Oncologist at BLK Super Specialty Hospital was organized at SPMCIL Corporate Office, New Delhi.
- A Mega Health Check-up Shivir was organized on 16.11.2019 at Residential quarters at Mudra Vihar, Sector-23, Noida by Chief Medical Officer and Medical Staff of Health Department, District Gautam Budh Nagar (U.P).

#### ▪ **Harmonious Employee Relations**

The Industrial relations were cordial and peaceful throughout the year and no loss of man-days was reported. As per policy two Apex Bipartite Forum Meetings between the Management and Union representatives were held in June 2019 and January 2020 to discuss various issues related to employees/production.

#### ▪ **Connecting with Employees**

**Sports Events:** In order to create good relations and better coordination amongst units and to keep the employees of all the units motivated, an inter-Unit football tournament was organised at IGM, Kolkata in the month of January, 2020. A total of 10 teams participated and IGM, Kolkata was the winner and BNP, Dewas was the runners up. It created lot of enthusiasm among

the employees across all the Units.

#### ▪ **Representation of Priority Section**

Your Company has been complying with the Presidential Directives and other instructions / guidelines issued from time to time pertaining to Policies and Procedures of Government of India with regard to reservation, relaxations, concessions etc. for Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs) and Persons with Disabilities (PWDs) in Direct Recruitment. Recently, as notified by the Govt. of India, the guidelines pertaining to EWS Category have also been implemented across the Company. Details with regard to group-wise total number of employees and the representation of Scheduled Castes, Scheduled Tribes and Other Backward Classes and Persons with Disabilities amongst them in your Company as on 31<sup>st</sup> March 2020 have been given at **Annexure-I** to this report.

#### **IMPLEMENTATION OF OFFICIAL LANGUAGE**

During the year 2019-20, Official Language Policy, Act, Rules etc. were fully complied with in the Corporate Office and in all the nine Units of the Company. All the documents required to be issued under Section 3(3) of Official Language Act, 1963 were issued in bilingual form invariably.

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

In addition to this, following important jobs were carried out in the area of Official Language during the year 2019-20:

#### ▪ **Official Language Inspection**

During the year 2019-20, inspections were also carried out by the Corporate Office in three units i.e. at BNP, Dewas on 24<sup>th</sup> May 2019, at IGM, Mumbai on 29<sup>th</sup> August 2019 and at IGM, Kolkata on 28<sup>th</sup> January 2020. In addition to it, the Northern Implementation Office -1 (Delhi),



Official Language Department, Ministry of Home Affairs had carried out the inspection of Corporate Office on 12<sup>th</sup> February 2020.

#### ▪ **Official Language Training and Conference**

One day Hindi Training and Conference for Officers and translators of Official Language Department of Corporate Office and all the Nine Units was held on 21<sup>st</sup> November 2019 at CNP, Nasik.

One day joint Hindi Workshop was also conducted to create conducive environment for creating interest in Hindi and to increase the interest towards Official Language amongst the officers and employees of all the nine units on 22<sup>nd</sup> November 2019 at CNP, Nasik.

#### ▪ **Poem Recitation Competition**

The Corporate Office organised the Poem Recitation Competition on 19<sup>th</sup> August 2019 to remember the poems of prominent Hindi poets. The assessment of the participants was done by an outside faculty and the winners were awarded cash prizes. The units of SPMCIL also organised the Poem Recitation Competition during the year 2019-20.



*Poetry Recitation Competition at SPMCIL Corporate Office, New Delhi*

#### ▪ **Prizes and Honours for Official Language Related works**

1. IGM, Mumbai was conferred with the award for outstanding work in implementation and development of Official Language by TOLIC, Mumbai and also by a social literary institution called 'Aashirwad'.
2. Security Printing Press, Hyderabad was awarded the third prize "Rajbhasha Cup" under the Small Office category for outstanding work in implementation of



Official Language during the year 2018-19 by the Town Official Language Implementation Committee (UNDERTAKING), Hyderabad-Secunderabad.

3. IGM, Kolkata was awarded Consolation Prize for Excellent Performance in Official Language implementation by TOLIC, Kolkata during the year 2019-20.

#### ▪ **Hindi Fortnight/Week**

Hindi Week was celebrated in the Corporate Office from 9<sup>th</sup> September 2019 and prize distribution ceremony was organized on 19<sup>th</sup> September 2019. Total five competitions were held during this occasion and participants were awarded cash prizes. Hindi Fortnight/Week was celebrated across all the Units of SPMCIL.

#### ▪ **Digital Board**

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

#### ▪ **Check Points and Incentive Schemes**

For effective implementation of official language in the Units and the Corporate Office, check points have been made and incentive schemes have been implemented for the awareness of official language amongst all the employees.

### **VIGILANCE ACTIVITIES**

- **Vigilance Setup:** The Board of Directors of SPMCIL has approved the creation of 25 posts for the Vigilance Department of SPMCIL. 22 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 Vigilance department has adopted multi-pronged approach including preventive, participatory and wherever required, punitive vigilance to prevent corrupt practices and improve work culture through systemic improvement. Among the various tasks accomplished by Vigilance department in discharge of its duties, Preventive Vigilance has been given the primary importance. Annual





Physical Verification of security items in the Units by Vigilance Department is an important work, besides CTE type inspections which are being conducted regularly. Efforts are there for expeditious processing and disposal of complaints in a time bound and effective manner. While emphasizing the importance of preventive vigilance and systemic improvement, wherever required, punitive action has been recommended against those who are found indulged in wrongful practices. Various initiatives have been made in this period to undertake effective Vigilance work and these are summarized below:

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

i) There has been tremendous improvement in implementation of rules, procedures and guidelines relating to procurement, tendering and in other areas of day-to-day activities across all the units. 12 new circulars have been issued as a part of systemic improvement.

ii) **Quality:** Vigilance officials posted in the units of SPMCIL have been directed to make surprise checks on the quality of the raw material and confirm whether the material is as per the tender specification or otherwise.

▪ **Dissemination of information pertaining to important CVC guidelines:**

- In all, total 1632 tenders have been issued across all the units of SPMCIL during the period and 100% tenders had been uploaded on the website of the Company.
- Total 2117 tenders were awarded across all the units of SPMCIL and the details of 75.01% awarded tenders (1590 awarded tenders) had been uploaded on the website of the Company.
- Negotiation had been done in 20 tenders with L-1 firm as per clauses of Procurement Manual. The same had also been scrutinized by the vigilance officials of the concerned units.
- Due to the efforts of Vigilance Department,

e-payment has increased in all the units of the Company upto 99.06% on an average.

- During the period, six repeat orders had been issued as per clauses of the Procurement Manual. The same had also been scrutinized by the vigilance officials of the concerned units.
- In all, 343 tenders had been issued on PAC/ nomination basis across all the units of SPMCIL and these are under regular scrutiny of Vigilance Department.

▪ **Integrity Pact:** Initiative has been taken for adoption of Integrity Pact (IP) in major Procurement activities in SPMCIL. The names have been approved by the Central Vigilance Commission on the panel of Independent External Monitors (IEM's) for SPMCIL. Integrity Pact has been introduced in SPMCIL for all tenders above a threshold value of ₹20 crores. 18 contracts under Integrity Pact are under various stages of tendering as on 31<sup>st</sup> March, 2020.

▪ **Training / Sensitization Programs:** For capacity building and improving the quality of vigilance work, stress has been given on training. Details regarding training are as follows:-

- i) Smt. Mamta Singh, IPS, CVO had attended vigilance related training program at International Anti-corruption Academy, Laxenburg, Austria from 03.06.2019 to 14.06.2019.
- ii) Shri Sunil Tiwari, Dy. CVO, Shri Amit Kumar, Manager (Vigilance) and Shri K.P. Singh, Vigilance Assistant had attended training on RTI Matters in the month of April, 2019.
- iii) Shri Nageswar Rao, Vigilance Officer at SPP/IGM, Hyderabad had attended vigilance related training program at International Anti-corruption Academy, Laxenburg, Austria from 28.06.2019 to 05.07.2019.
- iv) Workshop on Do's & Don'ts in handling various processes like procurements, recruitments and other important matters,



based upon case studies of the cases investigated by vigilance department was conducted by CVO, SPMCIL at BNP, Dewas, and SPM, Hoshangabad.

- v) A training program on Preparation of Investigation Reports, First Stage Advice and Vigilance Angle was conducted by Ms. Garima Bhagat, IRS, CVO, ESIC on 11.07.2019 at IGM, Mumbai for all vigilance officials.
- vi) A training program on Complaint Handling by Shri R. N. Nayak, Director, CVC was conducted on 11.07.2019 at IGM, Mumbai for all vigilance officials.
- vii) A training program on Handling & Processing of Procurement Proposals along with New Developments in Procurement Process was conducted by Shri Gajanand Prasad, Executive Director, IRILMM on 17.12.2019 at SPM, Hoshangabad for all vigilance officials.
- viii) A workshop for executives of Corporate Office of SPMCIL was conducted on 24.09.2019 on the duties being performed by the Vigilance Department.
- ix) Shri Vivek Taneja, Dy. General Manager (Vigilance) had attended a training program on 'Preventive Vigilance & E-Procurement-Key to Good Governance' from 23<sup>rd</sup> to 27<sup>th</sup> September, 2019 at Puri, Odisha.
- x) Shri Rajiv Ranjan, Vigilance Assistant at Corporate Office was nominated for one week workshop on Vigilance Administration conducted by CVC at the Institute of Secretariat Training and Management (ISTM), New Delhi from 14.10.2019 to 18.10.2019.
- xi) Shri Akhil Bhagat, Vigilance Officer at IGM, Mumbai was nominated for workshop on 'Preventive Vigilance & E-Procurement-Key to good governance' by National Productivity Council (NPC) at Goa from 18.11.2019 to 22.11.2019.

- **Conduct of CTE Type Inspections by CVO:** Ten 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 the deficiencies noticed in the system. Further, ₹33,16,942.92 has been recovered as Liquidated Damages in one of the CTE.

- **Activities during Vigilance Awareness Week (VAW):**

- i) In pursuance to CVC's directives, SPMCIL observed Vigilance Awareness Week from 28<sup>th</sup> October to 2<sup>nd</sup> November, 2019 highlighting the theme of the week viz. **'Integrity – A way of life'**.
- ii) At the start of Vigilance Awareness Week, the Integrity Pledge was administered to the officials by the Chairman and Managing Director. Simultaneously the integrity pledge was also administered to the officers, staff and workmen at all the nine units of SPMCIL by the concerned Chief General Managers/Heads of the Department in their area of jurisdiction.
- iii) CMD in her inaugural speech emphasized the importance of Preventive Vigilance in an organization. She applauded the various sensitization programs being conducted by Vigilance Department of SPMCIL. The house was also blessed with the motivating speech of the CVO, Director (Technical) & Director (HR).
- iv) A keynote address on the year's theme i.e., 'Integrity–A way of Life' was delivered by Shri P. S. Bawa, IPS (Retd.), Former DGP, Sikkim, Advisor, Transparency International India. Stressing upon honesty, integrity, transparency and accountability as essence of successful and happy life, he advised the gathering to be committed towards their duties and discharge responsibilities with utmost dedication and without any greed or laxity.
- v) 192 newly joined employees and 43 citizens have undertaken e-pledge.





- vi) 895 students from 11 schools and 778 students from 6 colleges had participated in various competitions conducted during the week and they were sensitized with the need of vigilance and how to fight corruption in day-to-day life.
- vii) Three human chains were made with the participation of around 1400 persons. One walkathon and one rally were also organized which were participated by 600 people and 100 students of Kendriya Vidyalaya, Nashik, respectively.
- viii) Five gram sabhas were organized wherein 535 persons had participated. Further, one Grievance Redressal Camp was also organised at Village Kavadiya, Dewas, Madhya Pradesh.
- ix) Six seminars/workshops were organized in 3 colleges and 2 schools which were participated by total 725 students. The students were educated on ill effects of corruption, recognizing counterfeit currency and also on the theme i.e., **'Integrity – A way of life'**.
- x) Various programs like poster competitions, speeches by eminent personalities, slogan writing competition, debate competition, etc. were also organized in the Corporate Office and across all the nine units of SPMCIL during the Week.
- xi) During the Pledge Ceremony, Vol-V of Satarkvani, an Annual Magazine of Vigilance Department of SPMCIL was released by CMD along with CVO.
- xii) **Inter-Unit Quiz Competition** : Quiz competitions in all the units were conducted and first two winners of each unit including Corporate Office were sent to BNP, Dewas to play the final round. The team of SPM, Hoshangabad stood First and Corporate Office team stood Second. Total number of participants was 368 officials of SPMCIL.

- **Work relating to the Annual Physical Verification (APV) of Stocks:** As per the decision of DEA, Ministry of Finance, this work is now being done by the Vigilance Department of SPMCIL w.e.f. 01.04.2010. During the year 2019-20, 12 Annual Physical Verification (APV) of stocks were conducted in the units of SPMCIL. Some of the observations of APV are as follows:

- i) SAP Statement is not matching with the physical stock.
- ii) CCTV cameras were not installed in some of the security sensitive areas.
- iii) Manufacturing / Expiry date is not mentioned on boxes of Security Fibres.
- iv) There is no record of wastage of security passport paper before transferring to final disposal section.

The observations were conveyed to the unit for clarification and systemic improvement.

- **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. During the period, 15 executives and 36 non-executives had been transferred. The Agreed list and the list of officers of Doubtful Integrity were prepared with intimation to the Central Vigilance Commission.
- **Annual Property Returns:** As a surveillance measure, 871 Annual Property Returns (APRs) of the officials were scrutinized and clarifications were sought wherever necessary.
- **Disposal of Complaints:** Total 41 Complaints were pending from the last financial year. During the period, 112 new complaints had been received in the Vigilance Department and in all 100 complaints had been disposed off/closed and remaining 53 complaints were in process and under various stages of investigation.
- **Review of Performance:** Performance of Vigilance Department was reviewed regularly by the CMD & Board of Directors of SPMCIL in addition to constant reviews undertaken by the CVO, SPMCIL as per prescribed norms.



## GLIMPSES OF VIGILANCE AWARENESS WEEK 2019-20



Release of Satarkvani at SPMCIL Corporate Office, New Delhi



Administration of Integrity Pledge at SPMCIL Corporate Office, New Delhi



Vendor Meet at CNP, Nashik



Colony Orientation Programme at IGM, Mumbai



Essay Competition at National Skill Training Institute (NSTI), Hyderabad



Presentation at New Alipore Science College, Kolkata



Poster Competition at SPMCIL Corporate Office, New Delhi





## ERP BASED INTEGRATED INFORMATION SYSTEM

The key enhancements of SAP-ERP systems were accomplished in the areas of Finance, Production, Materials Management, Sales & Distribution, Human Resources-Payroll, Controlling etc. The developments were made for Budget Module implementation, GST-TDS Report, Automatic Payment Program, mapping of new functionality of Debit Note Process for Vendors, consolidated Production Process Report for Currency Presses, Gold process mapping in SAP, Vendor List Details Report with PAN, Customer Ageing Report, review of HR MOU targets viz. training, e-separation and online recruitment, configuration of budgetary changes for FY 2019-20, changes done in Form 16, Form 24Q, Income Tax computation, configuration of CCL policy in SAP, etc.

**SAP ECC module Trainings:** Various systematic efforts are being made in the areas of maintaining & sustaining, process improvements and empowering SPMCIL's core group of end users. Trainings for SAP ERP core modules like, Finance & Costing (FICO), Material Management (MM), Quality Management (QM), Plant Maintenance (PM) have been imparted at unit level to ensure the smooth running of SPMCIL business processes in SAP-ERP.

The key achievements of Information Technology department of SPMCIL during the year 2019-20 are summarized below:

### ▪ Leveraging Website of the Company

- Integration & merger of standalone commemorative coin booking portal of IGM, Mumbai, IGM, Hyderabad and IGM, Kolkata to single platform with integrated single sign in for customers.
- Implementation of UPI and online payment methods on website for commemorative coin booking payments gateway portal.
- Implementation of Investment Module for online receipt of quotations for investment of surplus funds through website.
- Implementation of Bill Tracking System/ Vendor payment status functionality on website.

- Implementation of e-recruitment module on website for Corporate HR department.
- Development & Launch of SPMCIL Website iOS and Android Apps.

▪ **SPMCIL Information Security Policy:** SPMCIL's IT policy was implemented across all the units for compliance.

▪ **Appraisal of Directors in SPARROW System:** The appraisal of Directors of the Company was done online by implementation of the appraisal process using SPARROW system.

▪ **Activation of various e-Governance Systems:** For upholding various Government of India guidelines and requirements, key e-Governance systems were registered and activated like the Foreign Visitor Management System required by MHA, registration in SAMANVAY portal for CPSEs. Further, for procurement related activities, GeM portal registration was activated for carrying out e-procurement across SPMCIL units as per prescribed guidelines.

▪ **Implementation of Video Conferencing:** Video Conferencing solution was successfully implemented across the Company to channelize communication among the Corporate Office and Units of the Company in the turbulent times caused by COVID-19 pandemic. Video conferencing will boost productivity, save time, reduce travel expenses, and overall promote collaboration across all the units of the Company.

▪ **Renovation of Data Center:** Data Center of SPMCIL was renovated to bring in aesthetic and technological improvements like digital display devices for display of daily health of system, monitoring of network connectivity across SPMCIL units, BI reports & graphical dashboards etc.

## SWACHHATA PAKHWADA

Swachhata Pakhwada-2019 was observed from 16<sup>th</sup> August 2019 to 31<sup>st</sup> August 2019 with the primary objective of bringing a fortnight of intense focus on the issues and practices of cleanliness. SPMCIL celebrated the 'Swachhata Pakhwada' in accordance with the initiatives of Government



of India and organised the cleanliness drive in all the Units of the Company. A Swachhata Pledge was taken by all the employees of SPMCIL during the Swachhata Pakhwada. Accordingly, the Company initiated necessary action to sensitize its employees across all the units about cleanliness and sanitation. The programme has improved hygienic conditions of living of the employees in the factory/office premises. Several competitions were organised by the Units and Corporate Office of the Company during the Swachhata Pakhwada.



*Cleanliness drive during Swachhta Pakhwada*

## EVENTS

### ➤ **Payment of Dividend of ₹218.48 crores to Govt. of India for F.Y. 2018-19**

SPMCIL has paid a Final Dividend of ₹218.48 crores to the Government of India for F.Y. 2018-19 in compliance of the Guidelines on Capital Restructuring of CPSEs issued by DIPAM. The blow-up of dividend cheque was presented on 04.10.2019 by Smt. Tripti P. Ghosh, CMD, SPMCIL along with Shri Ajay Agarwal, Director (Finance), SPMCIL to Hon'ble Union Minister of Finance, Smt. Nirmala Sitharaman in the august presence of Shri Atanu Chakraborty, the then Secretary, DEA and Ms. Meera Swarup, Additional Secretary & Financial Advisor, Ministry of Finance.

### ➤ **Technical Automation Workshop for BI Existing System Demo and Machine Automation**

A Technical Automation workshop was successfully conducted at IGM, Mumbai under the Chairmanship of Shri Ajai Kumar Srivastav, Director (Technical) on 31<sup>st</sup> October & 1<sup>st</sup> November 2019. The workshop was participated



by the Chief General Managers at SPMCIL units and other Senior Officers of Technical and IT teams. The purpose of the workshop was utilizing technology and automation for providing a strategy to Top management for monitoring and control of production process in each stage of manufacturing process with a scope for using various reports through BI system for cost reduction, revenue generation, overheads control, production achievement, etc. as per the targets.



*Director (Technical) addressing the Senior Officers in Technical Automation Workshop*

### ➤ **BI Excellence Core Team Training for Mints, Currency Press & Security Press verticals at IGM, Noida**

For implementing the Management vision of "Mandatory utilization of SAP BI system reports for MIS reporting & discontinuance of manual reporting", BI Excellence core teams at units have been formed. To enable and empower the nominated teams, the business vertical wise trainings for Mints, Currency Press & Security Press verticals were organised from 16<sup>th</sup> December to 21<sup>st</sup> December 2019 at Data Centre, Noida.

### ➤ **Inauguration of Commemorative Coins Sale Counter at Corporate Office, New Delhi**

A Commemorative Coin Sale Counter was inaugurated on 20.01.2020 by Ms. Tripti P. Ghosh, CMD, SPMCIL, in the presence of Shri Ajai Kumar Srivastav, Director (Technical), Shri S.K. Sinha, Director (HR), Shri Ajay Agarwal, Director (Finance), Ms. Mamta Singh, CVO and





Shri B.J. Gupta, Chief General Manager (HR) at 1<sup>st</sup> Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi. The inaugural function witnessed a sizable number of customers for purchasing the Commemorative Coins.

➤ **Signing of MoU between SPMCIL and ALIMCO towards CSR initiatives**

Based on the recommendations of CSR Committee, the Board of Directors had approved the proposal for distribution of Assistive Devices to Divyangjan (PwDs) at an estimated cost of ₹100 lakhs by arranging Camps at Nashik, Dewas, Hyderabad and Hoshangabad. To execute the project, an MOU was signed on 16.10.2019 by Shri S.K. Sinha, Director (HR), SPMCIL and Shri D.R. Sarin, CMD, ALIMCO at SPMCIL Corporate Office in presence of Ms. Tripti P. Ghosh, CMD, SPMCIL. Shri Ajai Kumar Srivastav, Director (Technical), Shri Ajay Agarwal, Director (Finance) and Shri B.J. Gupta, Chief General Manager (HR) of SPMCIL were also present on this occasion.



*MoU signing between SPMCIL and ALIMCO for distribution of Assistive Devices to Divyangjan (PwDs) under CSR initiatives*

➤ **CSR Initiative of SPMCIL with SDMC**

Based on the recommendations of CSR Committee, SPMCIL Board had approved the CSR project of installation of 5 Ton capacity waste to energy bio-gas plant at the cost of ₹1.45 crores at Waste to wonder park at Sarai Kale Khan through South Delhi Municipal Corporation (SDMC). The approval letter was handed over on 27.11.2019 by Ms. Tripti P.

Ghosh, CMD, SPMCIL to Smt. Sunita Kangra, Mayor, SDMC, in the presence of Shri Gyanesh Bharti, IAS, Commissioner, SDMC, Shri Ajai Kumar Srivastav, Director (Technical), SPMCIL, Shri S.K. Sinha, Director (HR), SPMCIL, Shri Ajay Agarwal, Director (Finance) SPMCIL. Shri B.J. Gupta, Chief General Manager (HR) and Shri A. Durga Prasad, Dy. General Manager (HR) were also present on this occasion.



*Joining Hands with SDMC to implement CSR Project of Installation of 5 Ton capacity waste to energy bio-gas plant at the cost of ₹1.45 crores*

➤ **SPMCIL contributed a sum of ₹1.00 crore towards National Sports Development Fund under the Target Olympic Podium Scheme (TOPS)**

Under the CSR initiatives, SPMCIL had contributed a sum of ₹1.00 crore towards National Sports Development Fund under the Target Olympic Podium Scheme (TOPS) for the top athletes of our Country selected for Tokyo Olympics and beyond. The cheque of ₹1.00 crore was handed over to Shri Kiren Rijiju, Hon'ble Minister of State (Independent Charge) Youth Affairs & Sports on 27.02.2020 by Ms. Tripti P. Ghosh, CMD, SPMCIL and Shri S.K. Sinha, Director (HR), SPMCIL. Shri Inder Dhamija, Joint Secretary (Sports) and Shri B.J. Gupta, Chief General Manager (HR), SPMCIL were also present on this occasion.

➤ **Public Sector Day Celebration:** On the occasion of Public Sector Day (10.04.2019), the Public Sector Week was observed from 10<sup>th</sup> April



2019 to 16<sup>th</sup> April 2019 across the Units of the Company to project the contribution of the Public Sector Enterprises and their efforts towards fulfilling 'New India Vision 2022'. During this week, various programmes including Essay and Slogan writing competitions were organized across all the units and Corporate Office of the Company.



**Celebration of Public Sector Day at SPM, Hoshangabad**

- Independence Day and Republic Day were celebrated with high enthusiasm across all the units of the Company. On these occasions, various programme viz. Flag hoisting, CISF Drill, Drawing and Essay Writing Competitions for Children etc. were organised by the Units of the Company.
- **5<sup>th</sup> International Yoga Day:** "YOGA" is a form of exercise that originated in ancient India and is practiced widely across the world. Hon'ble Prime Minister, Shri Naredra Modi suggested at the UN Assembly that YOGA be given a special day as it is beneficial for everyone and making it a world event would help in spreading awareness about its benefits. On 21<sup>st</sup> June 2015, World Yoga Day was observed for the first time across the world and is since being celebrated annually. Accordingly, the units of the Company had celebrated 5<sup>th</sup> International Yoga Day on 21<sup>st</sup> June 2019.



**Celebration of 5<sup>th</sup> International Yoga Day**

- **Constitution Day:** As per direction of the Government of India, Department of Justice,



Ministry of Law & Justice regarding the Preamble to the Constitution be read out in all the Government Departments/PSUs this year and every year, the Units and Corporate Office of the Company celebrated Constitution Day on 26<sup>th</sup> November 2019.

➤ **Visit of Senior Officials of Ministry of Finance:**

Dr. Shahshank Saxena, Senior Economic Adviser (C&C), DEA, Ministry of Finance and Shri Manmohan Sachdeva, the then Director (C&C-D&DC), DEA, Ministry of Finance along with Shri A.K. Srivastav, Director (Technical), SPMCIL visited Corporate R&D Centre, Nashik on 22.02.2020.

➤ **Review of collaborative R&D project of CSIR-NCL, Pune at Corporate R&D Centre, Nashik**

Shri A.K. Srivastav, Director (Technical), SPMCIL held a meeting with scientists of CSIR-NCL, Pune at Corporate R&D Centre, Nashik on 20.07.2019 to discuss R&D project on Coating Formulations for Post Printing Treatment for Anti-Soiling Currency Notes.

## AWARDS

▪ **India's Most Trusted Companies Award-2019 to SPMCIL**

SPMCIL has been conferred the award of 'INDIA'S MOST TRUSTED COMPANIES 2019'. This award is based on the research work done by a US based company, International Brand Consulting Corporation on various parameters such as Gross Market Share, Innovation, Work Culture, Leadership, Professional Ethics, Corporate Social Responsibility and Reputation etc. The award was received by Ms. Tripti P. Ghosh, CMD and Sh. S.K. Sinha, Director (HR) on 11<sup>th</sup> August 2019 in a programme organised by IBC InfoMedia a division of International Brand Consulting Corporation, USA at Hotel Hyatt Regency, New Delhi.

▪ **"Best in Class for Training and Development (PSUs)" to SPMCIL**

SPMCIL has been awarded "Best in Class for Training & Development" in the 18<sup>th</sup> Edition of the Asia Pacific HRM Congress held on





17<sup>th</sup> September, 2019 at Taj, Yeshwantpur, Bengaluru. The award was received by Shri B.J. Gupta, CGM (HR) and Shri A. Durga Prasad, DGM (HR) of the Company.



Shri B.J. Gupta, CGM (HR) receiving the Award of Best in Class for Training & Development conferred to SPMCIL

▪ **Safety Award to CNP, Nashik by National Safety Council – Maharashtra Chapter, Mumbai.**

Currency Note Press, Nashik has been adjudged as Winners for: (i) Lowest Accident Frequency Rate in Light Engineering Industrial Group and (ii) Longest Accident Free Period in Light Engineering Industrial Group in the Maharashtra Safety Awards Competition for the performance year 2018, organized by the National Safety Council–Maharashtra Chapter, Mumbai on 27<sup>th</sup> September 2019.



Employees of CNP, Nashik receiving the Safety Award from National Safety Council, Mumbai

- Currency Note Press, Nashik, was honoured with second prize for the best performance in implementation of Official Language (Corporate Sector) and second prize for 11<sup>th</sup> Series of 'Mudra Bharti' published by Departments in Corporate category for the year 2018-19 by NARAKAS, Nashik.



2<sup>nd</sup> Prize to CNP, Nashik for Implementation of Official Language

▪ **National Level Award to Employee of the Company in Videography**

Mr. Madhu Varma Kallepalli, Office Assistant, SPP Hyderabad has been awarded with 2<sup>nd</sup> prize (National Level) for his video for International Youth Contest of Social Anti-Corruption Advertising **"Together Against Corruption"** by Dr. Jitendra Singh, Hon'ble Minister of State for Prime Minister's Office & Ministry of Personnel, Public Grievances and Pensions, Government of India on 29<sup>th</sup> November 2019 at New Delhi.



Award of 2<sup>nd</sup> Prize to Mr. Madhu Varma Kallepalli, Office Assistant, SPP, Hyderabad for his video for International Youth Contest of Social Anti-Corruption Advertising



▪ **"HSE Platinum Award" from National Safety Council**

Bank Note Press, Dewas has received "HSE Platinum Award" on 24.12.2019 from National Safety Council, MP Chapter Bhopal for excellent work done in the field of Health and Safety. The award was presented by Hon'ble Cabinet Minister of M.P. Government, Shri P.C. Sharma to Shri Rajesh Bansal, Chief General Manager BNP, Dewas.



*Shri Rajesh Bansal CGM, BNP, Dewas receiving the "HSE Platinum Award"*

▪ **Nurturing Leadership Award-2020 to SPMCIL**

Your Company has been awarded with '**Nurturing Leadership Award 2020**' by IIPA, New Delhi for outstanding leadership practices in nurturing and developing leaders. The award was received by Shri S.K. Sinha, Director (HR) and Shri B.J. Gupta, Chief General Manager (HR) on 17.01.2020 from Shri S.N. Tripathi, Director, IIPA at DMRC Bhawan, New Delhi.



*Director (HR) and CGM (HR) receiving the Nurturing Leadership Award-2020*



▪ During the year 2019-20, ISP, Nashik has received the following awards:

- Nurturing Leadership Award from Forum for Emotional Intelligence Learning (FEIL) and Indian Institute of Public Administration (IIPA) for Outstanding Leadership Practices in Nurturing and Developing Leaders.
- Gunwant Kamgar Purasakar: This award is given to workmen who had contributed his outstanding work in the respective Organization and towards society. Gunwant Kamgar Purasakar 2019 has been awarded to two employees of India Security Press, Nashik namely Shri Dhyaneswar Walu Jundre and Shri Rohit Ranade.

▪ BNP, Dewas has been awarded with Top Innovative Organisation (Special Category) in manufacturing of special products by Confederation of Indian Industry (CII). The award was received by Shri Rajesh Bansal, Chief General Manager, BNP, Dewas during the CII Felicitation Top 25 Innovative Companies of 2019 at the Indian R&D Ecosystem Conclave, New Delhi.



*Shri Rajesh Bansal CGM, BNP, Dewas receiving the Top Innovative Organisation (Special Category) in manufacturing of special products from Confederation of Indian Industry (CII).*

- SPM, Hoshangabad has received First Prize in Implementation of official language in day to day working by 'Rajbhasha Execution Committee'.
- SPMCIL has received the award of 'Best Talent Organization of the Year' by World HRD Congress. The award was received by





Shri S. Pradhan, Chief General Manager, IGM, Mumbai at the National Talent Management Leadership Awards distribution ceremony at Taj Lands End, Mumbai on 5<sup>th</sup> July 2019.



**Shri S. Pradhan, Chief General Manager, IGM, Mumbai receiving the Award of Best Talent organisation of the year**

- Ms. Tripti P. Ghosh, CMD has been honoured with the award titled 'CEO with HR Orientation' at Global HR Excellence Awards 2020 by World HRD Congress on 15<sup>th</sup> February 2020 at Taj Lands End, Mumbai.
- SPMCIL has achieved 'Excellent' Grading on Compliance of Guidelines on Corporate Governance issued by DPE for the year 2019-20.

## **SECURITY AND SAFETY**

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

Occupational health and safety at workplace is one of the prime concerns of your Company and utmost importance is given to provide safe working environment and to inculcate safety awareness among the employees. Safety issues are discussed in the highest forum of management like Risk Management Committee (RMC), Corporate Risk Committee (CRC), etc. Regular plant inspection and review by Heads of units is being done.

Internal safety audits by safety officers and external safety audits by reputed organizations as per statutory requirement are carried out for each unit. Recommendations of auditors are regularly reviewed and complied with. Adequate numbers of qualified safety officers are posted at all the units as per statutory rules/provisions to look after safety of men & materials. For strict compliance & enforcement of safety norms and practices by the contractors, safety clauses are included in General Conditions of Contract.

## **SEXUAL HARASSMENT OF WOMEN AT WORKPLACE AND WOMEN EMPOWERMENT**

Your Company is committed to prevention of sexual harassment of women at workplace and takes prompt action in the event of reporting of such incidents. In this regard, internal complaints committees have been constituted at Corporate Office and Units of the Company to deal with sexual harassment complaints, if any, and conduct enquiries. During the year 2019-20, no complaint of sexual harassment has been received.

## **DIVIDEND**

As per Clause 5.2 of Office Memorandum No. 5/2/2016-Policy dated 27<sup>th</sup> May 2016 of Department of Investment & Public Asset Management (DIPAM) on the subject of Guidelines on Capital Restructuring of CPSEs, every CPSE would pay a minimum annual dividend of 30% of Profit after Tax or 5% of the Net worth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions.

In view of above, the Board of Directors has recommended a Final Dividend @ 5% Net worth as on 31.03.2020 aggregating to ₹ 215.48 crores. This final dividend for the financial year 2019-20 shall be paid by the Company after approval of shareholders in the forthcoming 15<sup>th</sup> Annual General Meeting of the Company.

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

In accordance with the provisions of the Companies Act, 2013 and rules framed thereunder, particulars relating to Energy Conservation, Technology



Absorption, R&D and Foreign Exchange Earnings & Outgo (on accrual basis) are given at Annexure-II to the report.

## **BOARD OF DIRECTORS**

Being a Government Company, the power of appointment of Directors on the Board of the Company is vested with the President of India acting through the Ministry of Finance, Government of India. The remuneration of Directors and employees of the Company is fixed as per extant guidelines issued by Department of Public Enterprises (DPE), from time to time. Further, the part-time Non-Official Independent Directors are paid sitting fees, as decided by the Board of Directors from time to time within the limits prescribed under the Companies Act, 2013 for attending the meetings of Board of Directors and Committees thereof. As per the norms of Government of India, the Government Nominee Director is not entitled to receive any remuneration/sitting fee from the Company. The details of remuneration/sitting fees paid to the Directors are given in the Corporate Governance Report annexed to this report.

During the year 2019-20, Dr. Kumar Vinay Pratap, the then Joint Secretary (C&C), Department of Economic Affairs, Ministry of Finance was appointed as part-time Government Nominee Director on the Board of the Company w.e.f. 4<sup>th</sup> September 2019 in place of Shri Prashant Goyal, former Joint Secretary (C&C), DEA, Ministry of Finance. Further, Dr. Shashank Saksena, Senior Economic Advisor (C&C), Department of Economic Affairs, Ministry of Finance was appointed as part-time Government Nominee Director on the Board of the Company w.e.f. 14<sup>th</sup> November 2019 in place of Dr. Kumar Vinay Pratap, the then Joint Secretary (C&C), DEA, Ministry of Finance.

Ms. Punya Salila Srivastava, Additional Secretary (WS), Ministry of Home Affairs (MHA) had been appointed as part-time Government Nominee Director on the Board of the Company w.e.f. 24<sup>th</sup> February 2020 in place of Shri S.C.L. Das, the then Joint Secretary (IS-I), Ministry of Home Affairs (MHA). Shri P.J. Mathew, Independent Director, SPMCIL vacated the Office on completion of his tenure w.e.f. 15.02.2020. Shri Ajay Michyari, Chief



General Manager (CGM) in-charge, Department of Currency Management (DCM), Reserve Bank of India (RBI) has vacated the Office on withdrawal of his nomination by Reserve Bank of India w.e.f. 13.03.2020.

In line with the statutory requirements, the Independent Directors had given the requisite declaration that they meet the criteria of independence and none of the Directors are related inter-se. Further, the Ministry of Corporate Affairs has exempted the Government Companies from the requirement of obtaining approval of shareholders for appointment of Whole-time Director(s) and Independent Director(s) vide Notifications dated 5<sup>th</sup> June 2015 and 5<sup>th</sup> July 2017 respectively. Accordingly, the appointment of Functional Directors and Independent Director(s) on the Board of the Company is not required to be approved by the shareholders.

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> March 2020 and of profit and loss account for the year ended 31<sup>st</sup> March 2020;
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and





for preventing and detecting fraud and other irregularities;

- (d) that the directors have prepared the Annual Accounts on a going concern basis; and
- (e) that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **AUDITOR & AUDITOR'S REPORTS**

M/s. Ashwani & Associates, Chartered Accountants, New Delhi were appointed as Statutory Auditors of your company for the financial year 2019-20 by the Comptroller and Auditor General of India in terms of Section 139 of the Companies Act, 2013. Further nine Branch Auditors were appointed/re-appointed by Comptroller and Auditor General of India for auditing the accounts of nine units of the Company for the financial year 2019-20. The Statutory Auditors have audited the annual accounts (standalone and consolidated) for the year ended 31<sup>st</sup> March 2020 and their reports are annexed to the respective annual accounts. The Management's replies to the observations/qualifications given in the Statutory Auditors' Reports are given at **Annexure-III**.

The Comptroller & Auditor General of India has carried out the Supplementary Audit of the aforesaid annual accounts of the Company under Section 143(6)(b) of the Companies Act, 2013 and comments/observations of the Comptroller & Auditor General of India on standalone as well as consolidated annual accounts of the Company for the year ended 31<sup>st</sup> March 2020 are given at **Annexure-IV & V** respectively. The Management's Replies to the aforesaid comments/observations of Comptroller & Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 are given at **Annexure-VI**.

### **COST AUDIT**

As prescribed under the Companies (Cost Records and Audit) Rules, 2014, the Cost Accounting Records are being maintained by the units of the Company. Pursuant to the provisions of Section 148(3) of Companies Act, 2013, the Board of

Directors of your Company had appointed M/s. Murthy & Co. LLP, Cost & Management Accountants, Bangalore as the Cost Auditors for the financial year 2019-20 to conduct the Cost Audit of products of your Company under the ambit of Cost Audit in accordance with the aforesaid rules and other relevant orders/clarification issued by Ministry of Corporate Affairs, Government of India and Cost Accounting Standards issued by the Institute of Cost Accountants of India, from time to time.

### **SECRETARIAL AUDIT REPORT**

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 notified by the Ministry of Corporate Affairs, the Board of Directors of your Company had appointed M/s. J.K. Gupta & Associates, Practicing Company Secretaries, Delhi for conducting Secretarial Audit of the Company for the year 2019-20. The Secretarial Audit Report, duly certified by the Secretarial Auditor and reply to their observations are attached at **Annexure-VII** to this Report.

### **CODE OF CONDUCT**

The Board of your Company has enunciated SPMCIL Code of Business Conduct & Ethics-2010 for the Directors and Senior Management personnel, which has been circulated to all concerned and has also been hosted on Company's website. The Directors and Senior Management personnel have affirmed compliance with the code of conduct for the year 2019-20.

### **RISK MANAGEMENT**

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



in identifying, evaluating, reporting and managing risk associated with business.

### INTERNAL FINANCIAL CONTROLS

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of standalone financial statements. SPMCIL has adequate internal financial control system in place, in the form of documented policies & procedures that cover critical as well as important activities of financial and other operating functions. These internal financial control provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's asset that could have a material effect on standalone Ind AS financial statements. The Statutory Auditors are also required to issue the Independent Auditor's Report on the Internal Financial Controls of the Company under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013. The report issued thereon has been attached along with the Financial Statements. The Company continues its efforts to align all its processes and controls with global best practices.

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

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

### MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis



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

### CORPORATE GOVERNANCE

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

Your Company has been complying with the requirements of Corporate Governance as stipulated in the Guidelines on Corporate Governance notified by the Department of Public Enterprises, Government of India in this regard. The Corporate Governance Report is enclosed as **Annexure-IX** to this Report. The Company has obtained a Certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance, which is attached to the Corporate Governance Report. Your Company has achieved 'Excellent' grading on compliance of Guidelines on Corporate Governance issued by DPE for the year 2019-20.

### EXTRACT OF ANNUAL RETURN

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

### COMPLIANCE OF SECRETARIAL STANDARDS

Your company has complied with the applicable Secretarial Standards issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government.

### STATUTORY DISCLOSURES

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

(a) there was no change in the nature of business





- of the Company during the financial year 2019-20;
- (b) the Company has not accepted any public deposits during the financial year 2019-20;
  - (c) no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future;
  - (d) the Company maintains an adequate system of Internal Controls including suitable monitoring procedures, which ensure accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory regulations and Company policies;
  - (e) the Company has not made any loan, given guarantee or provided any security pursuant to the provisions of Section 186 of the Companies Act, 2013;
  - (f) since the provisions of Section 197 of the Companies Act, 2013 and Rules made thereunder, related to Managerial Remuneration, are not applicable to Government Companies, no disclosure is required to be made;
  - (g) being a Government Company, SPMCIL is exempt from the statutory provisions relating to performance evaluation of Directors and disclosure in respect of evaluation mechanism in the Board's Report;
  - (h) there are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year i.e. 31<sup>st</sup> March

2020 and the date of this report; and

- (i) the terms and conditions of the appointment of Functional Directors are subject to the applicable guidelines issued by Department of Public Enterprises, Government of India.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

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

### **ACKNOWLEDGMENTS**

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

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

**(Tripti P. Ghosh)**

Chairman & Managing Director  
DIN : 08123112

**Date:** 16<sup>th</sup> December 2020

**Place:** New Delhi



## ANNEXURE-I

### SC/ST/OBC REPORT

Annual Statement showing the representation of SCs, STs and OBCs as on 31<sup>st</sup> March 2020 and number of appointments made during the year 2019-20

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

| Groups       | Representation of SCs/STs/OBCs<br>(As on 31.03.2020) |             |            |             | Number of Appointments made during the Financial Year 2019-20 |           |           |           |              |            |           |                                         |          |          |          |
|--------------|------------------------------------------------------|-------------|------------|-------------|---------------------------------------------------------------|-----------|-----------|-----------|--------------|------------|-----------|-----------------------------------------|----------|----------|----------|
|              |                                                      |             |            |             | By Direct Recruitment                                         |           |           |           | By Promotion |            |           | By other Methods (Internal Recruitment) |          |          |          |
|              | Total No. of Employees                               | SCs         | STs        | OBCs        | Total                                                         | SCs       | STs       | OBCs      | Total        | SCs        | STs       | Total                                   | SCs      | STs      | OBCs     |
| 1            | 2                                                    | 3           | 4          | 5           | 6                                                             | 7         | 8         | 9         | 10           | 11         | 12        | 13                                      | 14       | 15       | 16       |
| Group 'A'    | 341                                                  | 53          | 19         | 67          | 18                                                            | 2         | 1         | 5         | 7            | 0          | 0         | 2                                       | 0        | 0        | 0        |
| Group 'B'    | 1045                                                 | 156         | 89         | 169         | 41                                                            | 5         | 6         | 24        | 91           | 15         | 11        | 1                                       | 0        | 0        | 0        |
| Group 'C'    | 6832                                                 | 1326        | 610        | 952         | 89                                                            | 16        | 10        | 44        | 644          | 108        | 69        | 1                                       | 1        | 0        | 0        |
| <b>Total</b> | <b>8218</b>                                          | <b>1535</b> | <b>718</b> | <b>1188</b> | <b>148</b>                                                    | <b>23</b> | <b>17</b> | <b>73</b> | <b>742</b>   | <b>123</b> | <b>80</b> | <b>4</b>                                | <b>1</b> | <b>0</b> | <b>0</b> |

### PWD REPORT

Representation of P.W.D. as on 31<sup>st</sup> March 2020

| Groups       | Representation<br>(As on 31.03.2020) |           |           |            | Number of Appointments made during the Financial Year 2019-20 |          |          |                          |          |          |          |                           |          |          |                          |          |          |          |
|--------------|--------------------------------------|-----------|-----------|------------|---------------------------------------------------------------|----------|----------|--------------------------|----------|----------|----------|---------------------------|----------|----------|--------------------------|----------|----------|----------|
|              |                                      |           |           |            | Direct Recruitment                                            |          |          |                          |          |          |          | Promotion                 |          |          |                          |          |          |          |
|              |                                      |           |           |            | No. of Vacancies reserved                                     |          |          | No. of Appointments made |          |          |          | No. of Vacancies Reserved |          |          | No. of Appointments made |          |          |          |
|              | Total No. of Employees               | V.H.      | H.H.      | O.H.       | V.H.                                                          | H.H.     | O.H.     | Total                    | V.H.     | H.H.     | O.H.     | V.H.                      | H.H.     | O.H.     | Total                    | V.H.     | H.H.     | O.H.     |
| 1            | 2                                    | 3         | 4         | 5          | 6                                                             | 7        | 8        | 9                        | 10       | 11       | 12       | 13                        | 14       | 15       | 16                       | 17       | 18       | 19       |
| Group 'A'    | 341                                  | 0         | 0         | 0          | 1                                                             | 1        | 1        | 0                        | 0        | 0        | 0        | 0                         | 0        | 0        | 0                        | 0        | 0        | 0        |
| Group 'B'    | 1045                                 | 1         | 0         | 13         | 0                                                             | 0        | 2        | 20                       | 0        | 0        | 0        | 0                         | 0        | 0        | 4                        | 0        | 0        | 0        |
| Group 'C'    | 6832                                 | 26        | 53        | 136        | 0                                                             | 0        | 4        | 31                       | 1        | 0        | 0        | 0                         | 0        | 0        | 80                       | 1        | 1        | 3        |
| <b>Total</b> | <b>8218</b>                          | <b>27</b> | <b>53</b> | <b>149</b> | <b>1</b>                                                      | <b>1</b> | <b>7</b> | <b>51</b>                | <b>1</b> | <b>0</b> | <b>0</b> | <b>0</b>                  | <b>0</b> | <b>0</b> | <b>84</b>                | <b>1</b> | <b>1</b> | <b>3</b> |

#### Note :

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





## ANNEXURE-II

### **REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, R&D AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER THE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES NOTIFIED THEREUNDER.**

#### **A) CONSERVATION OF ENERGY**

As a part of continued efforts towards energy conservation, a number of Energy Conservation projects have been implemented during 2019-20 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.
- Up-gradation of plant & machinery for conservation of energy.

#### **B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

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

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

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

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

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

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

#### **C) RESEARCH AND DEVELOPMENT (R & D)**

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

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

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

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



manufacturing of raw materials.

### 3. Future plan of action

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

### 4. Expenditure on R & D

During the financial year 2019-20 the Company has incurred ₹1.98 crore towards Research & Development.

## D) FOREIGN EXCHANGE EARNING AND OUTGO

| Sl. No. | Foreign Exchange Earnings/Outgo | 2019-20<br>(₹ in Cr) | 2018-19<br>(₹ in Cr) |
|---------|---------------------------------|----------------------|----------------------|
| 1.      | Foreign Exchange Earnings       | -                    | -                    |
| 2.      | Foreign Exchange Outgo          | 354.48               | 359.58               |

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

**(Tripti P. Ghosh)**

Chairman & Managing Director

DIN : 08123112

**Date:** 16<sup>th</sup> December 2020

**Place:** New Delhi





**EXPLANATION TO COMMENTS / QUALIFICATIONS IN STANDALONE AND CONSOLIDATED STATUTORY AUDITOR'S REPORT DATED 20<sup>TH</sup> AUGUST 2020**

**AUDITORS REPORT AS AT 31<sup>ST</sup> MARCH 2020**

| Sl. No. | Auditor's Observation                                                                                                                                                                                                                                                                                                                                                                                                           | Management Reply                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | <p><b>Currency Note Press, Nashik</b></p> <p><b>Internal Financial Control</b></p> <p>Management installed Biometric Attendance Management System to record the attendance bio-metrically into SAP. However it is observed that attendance and overtime working was not accounted automatically under SAP and was processed manually. To that extent, the unit did not have effective internal control in HR module of SAP.</p> | <p>This matter is under consideration for integration of payroll with AMS and is taking time as the matter involves industrial issue.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2.      | <p><b>Security Paper Mill (SPM), Hoshangabad</b></p> <p>According to the information and explanations given to us, unit is in possession of approx. 345 acres of land out of which mutation of 230 acres of land in the name of CMD, SPMCIL has been done in the Land Revenue records.</p>                                                                                                                                      | <p>SPM, Hoshangabad is in possession of approx. 345 acres of land transferred from Govt. Of India, out of which mutation of 230 acres of land in the name of CMD, SPMCIL has been done in the Land Revenue records, for rest of 115 acres mutation is in process. Matter is being regularly taken-up with local authorities for mutation of balance land.</p>                                                                                                                                                                                                                     |
| 3.      | <p><b>India Government Mint, Hyderabad</b></p> <p>A) Title of the immovable properties that are held by the unit is in the name of the "President of India" and not in the name of the unit.</p> <p><b>Internal Financial Control</b></p> <p>B) Introduction of dual control/authentication mechanism for additions and updation of employee master data should be done.</p>                                                    | <p>The matter is under process. IGM, Hyderabad is pursuing the case to settle through mode of mutation. To this effect, the District Collector has already issued orders to the Office of Chief Commissioner of Land Administration. The proposal is pending with Chief Commissioner of Land Administration for issuing orders for modifications in land administration website. The proposal is referred to the Chief Commissioner of Land Administration for its approval. The proposal may be cleared very soon.</p> <p>The matter has been taken up to resolve the issue.</p> |



| Sl. No. | Auditor's Observation                                                                                                                                                                                                                                                                                                                                                                                                     | Management Reply                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         | C) Introduction of a leave management system and integrating the same to SAP for all the classes of employees and workmen be done.                                                                                                                                                                                                                                                                                        | A leave management system (through ESS portal) is already in place and the leaves applied by the employees are integrated to SAP. However this has been implemented for executives and classified staff only. For other types of employees like workmen, leave records are updated in SAP manually. They are not applying leaves through ESS portal. We are working on this. Shortly this will be implemented for workmen also.                                       |
| 4.      | <p><b>India Government Mint, Mumbai</b></p> <p>The Title Deeds of following Immovable Properties have not been transferred in favour IGM, Mumbai.</p> <p>CS No. 399, Tardeo, Mumbai, Maharashtra</p> <p>We are however informed that the Documentation for the transfer in favour of IGM Mumbai (A Unit of SPMCIL) is under Process.</p>                                                                                  | The property measuring 3221.78 sq mts located at Tardeo having C.S. No. 399 is mutually exchanged with area measuring 630.60 sq. mts. at Prabhadevi FP 1216 (5 TPS) IV and C. S. No. 25 of Mahim Division with RBI. The conveyance deed between RBI and IGM, Mumbai, Gol was signed in September 1984 however, this was not registered. For the transfer NOC for Tardeo is awaited from the Ministry/CHQ, as was received in case of other properties of IGM, Mumbai. |
| 5.      | <p><b>India Government Mint, Noida</b></p> <p><b>Emphasis of Matter (only A)</b></p> <p>A) Balances of Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmations / reconciliation and consequent adjustment, if any, with respective parties.</p> <p>B) The following immovable properties have not yet been transferred in the name of the company.</p> <p>Sector-27, Noida, U.P-201301</p> | <p>We would be taking the confirmation from vendors in the current financial year.</p> <p>Action has been initiated for payment to the Registration Authority, Noida.</p>                                                                                                                                                                                                                                                                                             |
| 6.      | <p><b>India Government Mint, Kolkata</b></p> <p><b>Emphasis of Matter</b></p> <p>A) Trade receivables, for which confirmations are not received from the parties, are subject to reconciliation and consequential adjustments on determination/ receipt of such confirmation.</p>                                                                                                                                         | The matter has been taken up with debtors for confirmation & subsequent action will be taken for reconciliation.                                                                                                                                                                                                                                                                                                                                                      |





| Sl. No. | Auditor's Observation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Management Reply                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         | <p><b>Other matters</b></p> <p>B) A substantial amount appears under EMD Vendors as Credit Balance since 2012. Based on the documentary evidence produced to us, we have observed that in case of one party, a writ petition (No.17609 (W)) of 2012 was filed before the Hon'ble High Court, Calcutta by the concerned party is pending. Accordingly, the matter being sub judice, the unit of SPMCIL has to carry forward the balance in the books of accounts pending final judgment.</p> <p>C) There are some employee advances (LTC and Tour) which lies unadjusted for more than three years. Amongst such employees, some have already retired and some bills are under preliminary inquiry. The cases which are under inquiry, management should take appropriate decision for early completion of inquiry for settlement of those advances. In remaining cases, appropriate decision should be taken for recovery/settlement in case of working employees or adjustment in case of retired employees.</p> <p><b>Emphasis of Matter (only D)</b></p> <p>D) Balances in the accounts of Sundry Creditors, Advances to Suppliers and Advances from Customers are subject to confirmation.</p> <p>E) The title deeds, comprising leasehold land and factory building of India Government Mint, Kolkata, are held in the name of President of India and not in the name of SPMCIL.</p> <p><b>Internal Financial Control</b></p> <p>F) The biometric attendance management system has been installed to record the attendance biometrically into SAP. However, the attendance is manually recorded in SAP in absence of proper synchronisation of SAP and the biometric device.</p> | <p>This matter is under sub-judice since long time and we will take up with appropriate authority once Calcutta High Court starts operating.</p> <p>Most of the cases have been settled except few cases which are pending due to preliminary inquiry.</p> <p>The matter has been taken up with debtors for confirmation &amp; subsequent action will be taken for reconciliation.</p> <p>The matter has been taken up with appropriate authority for registration in the name of the company.</p> <p>The action is being initiated to execute the same.</p> |



| Sl. No.   | Auditor's Observation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Management Reply                                                                                                                                                                                                                                                                                                                     |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           | G) The entity is working under SAP-ERP system for all accounting transactions. However, the Inventory valuation regarding coins and FG, SFG and Scraps is done manually and not through SAP module. It is integrated in the SAP through manual entries.                                                                                                                                                                                                                                                                                                                                                                                                              | This practice is being followed due to some system issues & will be resolved with inter departmental involvement.                                                                                                                                                                                                                    |
| <b>7.</b> | <p><b>Bank Note Press, Dewas</b></p> <p><b>Internal Financial Control</b></p> <p>1) Management has installed Biometric Attendance Management System during the year 2018-19 to record the attendance biometrically into SAP. However, it is observed that attendance and overtime working was not accounted automatically under SAP during the year as Biometric Attendance System was not integrated with SAP during the year.</p> <p>2) Finance Module of the ERP software does not provide the Age wise analysis of Sundry Debtors, Creditors, various advances at any time during the year and same has been prepared manual.</p>                                | <p>The unit has integrated its biometric attendance system with SAP before the audit report was signed. The system is being further fine tuned in respect of challenges due to non standard shift / lunch timing.</p> <p>This matter has been taken up with the data centre and the reports generation from SAP will start soon.</p> |
| <b>8.</b> | <p><b>India Security Press, Nashik</b></p> <p>1) In many cases, in the Fixed Asset Register the quantity of fixed assets is appearing as "1" instead of actual quantity.</p> <p>2) The sufficient / technical description of the asset is not available in many cases to make identification possible.</p> <p>3) In few cases, the classification of the similar nature of asset is done in multiple account heads. (Eg- Printers shown under Computers, electrical equipment, plant and machinery and office equipment). It is worthwhile to note that Asset value in respect of those assets have already being depreciated and are carried at residual value.</p> | <p>The required correction would be made in 2020-21.</p> <p>There is a space constraint in the asset master for full technical description, hence full description cannot be accommodated.</p> <p>The required correction would be made in 2020-21.</p>                                                                              |





| Sl. No. | Auditor's Observation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Management Reply                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         | <p>4) Financial and quantitative reconciliation of Land as per Land Records and as per Books / Fixed Asset register not done.</p> <p>Though the 7/12 extract in the name of Security Printing and Minting Corporation of India Ltd is available but the title deeds of the immovable properties are not found on record. In the absence of complete financial and quantitative reconciliation, we are unable to verify whether 7/12 extract and books of accounts covers all the lands belonging to the Company.</p> <p><b>Internal Financial Controls</b></p> <p>5) Back dated entries are allowed in their SAP-ERP system for posting of any entries for the last quarter, leading into lose internal control over the period financial information.</p> <p>6) SAP-ERP system allows the users to assign useful life of the asset different from the Useful Life as per the accounting policies without any dual check system / authorisation, which may lead to wrong calculation of depreciation / amortisation of property, plant and equipment and intangible assets.</p> <p>7) The unit has not integrated the biometric system with Payroll module of SAP-ERP system. Management installed Biometric Attendance Management System to record the attendance bio- metrically into SAP. However, it is observed that attendance and overtime working was not accounted automatically under SAP and was processed manually, which may lead to excess payment of salary and overtime allowances due to manual intervention.</p> <p>8) The unit did not have any system of review of overdue / outstanding sales / purchase orders which are not yet executed since long, due to which many sales order are still pending / outstanding since long.</p> | <p>The process of reconciliation of the same has been started. Title deeds are not available for the land which was acquired in the British period. However, the 7/12 extract is available for entire Land of ISP.</p> <p>The company is taking steps in consultation with Information Technology department to make suitable improvements.</p> <p>The changes were done as one time measure while moving from GAAP to IND AS. No authorisation is given to units for incorporating change in life of the Asset or the classification of asset.</p> <p>The company is in the process of linking the attendance of the employees, biometrically into SAP</p> <p>A process to review the sale orders has been initiated and orders shall be closed if, required.</p> |



| Sl. No. | Auditor's Observation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Management Reply                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         | <p>Eg - 1) Total 690 Sales orders worth ₹145 Crores are not executed since long, as old as 2012 including 173 pending Sales orders of ₹116 Crores relates to FY 2018-19.</p> <p>2) Total 786 Purchase orders worth ₹39.15 Crores are not execute old as 2016 including 428 pending Purchase orders of ₹7.23 Crores relates to FY 2018-19.</p> <p>9) The unit has not done knocking of recovery of ₹359 Crores received from debtors against respective invoice, due to which the correct ageing of debtors could not be worked out. Due to this despite recovery in odd amount, the overdue of more than 3 years for the purposes of provision for Bad &amp; Doubtful as per the Accounting Policy is worked out mainly on First In First Out (FIFO) Basis.</p> <p>10) Despite long overdue outstanding trade receivables lying since decades, as old as 1971 &amp; onwards, specially related to Postal Department the unit did not have any system of joint reconciliation with major customers. This leads to loose internal control over the identification and recovery of the old outstanding / overdue trade receivables.</p> <p>11) Age-wise report of Inventory is not generated from Material Management module of SAP-ERP System and the identification and valuation at lower of cost or Net realisable value (NRV) for non-moving inventory (not moved for 3-5 years) is worked out manually, leading to loose internal control over the identification and disposal of obsolete / non-moving inventory.</p> | <p>The closure of pending purchase orders by purchase section is under process and will be closed wherever feasible.</p> <p>The payments received against outstanding amount has been knocked out except for only one particular customer. Follow up is initiated.</p> <p>ISP is in the process of collating data for old debts which are not realisable, for write-off from books of accounts.</p> <p>The company is taking steps in consultation with Information Technology department to make suitable improvements.</p> |





| Sl. No. | Auditor's Observation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Management Reply                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9.      | <p><b>SPMCIL Corporate Office, New Delhi</b></p> <p><b>Emphasis of Matter (a-e)</b></p> <p>a) According to Section 149, of Companies Act, 2013, the company must have a minimum of two Independent Directors. However, according to the information and explanations given to us, the company had only one independent director from April 1, 2019 to February 15, 2020 and no independent director thereafter thereby contravening the provisions of Section 149 of the Companies Act 2013.</p> <p>b) Note 41 to the financial statements regarding events occurring after the Balance sheet date relating to fixation of Fair Selling Price (FSP) of Circulation coins for the financial year 2016-17 and 2017-18 and Postal Stationery for the financial year 2015-16, 2016-17 and 2017-18.</p> <p>c) Note 46 to the financial statements regarding changes in the accounting policies for Revenue recognition for Bank Notes and defining materiality in relation to income/ expenditure relating to Prior period.</p> | <p>SPMCIL being a Govt. Company, as per Articles of association, the power to appoint Directors vests with the President of India, through Ministry of Finance. The appointment of independent directors is under consideration of Ministry of finance.</p> <p>These rates have been received from MoF in FY 2020-21 and revenue from operations will be considered in FY 2020-21.</p> <p>In case of Bank Notes, revenue is recognized at predetermined rates. The differences, if any, between the billing rates and the rates as approved by the Ministry of Finance on year to year basis is accounted for in the financial year, in which such rates are accepted by RBI.</p> <p>Materiality Policy approved by the Board ,allows that, "an item of income or expenditure of one or more prior periods is considered material only if, it exceeds 0.5% of total revenue of the company, as per last year's audited financial statements in each such case."</p> |



| Sl. No. | Auditor's Observation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Management Reply                                                                                                                                                                                                                                                                                                                                                        |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         | <p>d) Note 49 regarding an amount of ₹17,975.76 lakhs was lying in "Funds from Govt of India (adjustable) account as at April 1, 2019, which was pending for settlement with Ministry of Finance against which the Company has, without intimating the Ministry of Finance adjusted amounts aggregating to ₹2,121.71 lakhs comprised of ₹369.50 lakhs and ₹ 901.97 lakhs respectively towards opening balances and interest amount recoverable from PAO at the time of Corporatisation in respect of pro-rata optee employees and un-reconciled debtors of ₹850.24 lakhs leaving a balance of ₹15,854.05 lakhs in the said account.</p> | <p>The amounts mentioned in the observation being receivable from GOI have been adjusted with the amounts payable shown as Funds from GOI (adjustable).</p>                                                                                                                                                                                                             |
|         | <p>e) Note 51 to the financial statements which explains the management's assessment of the financial impact due to the lockdowns and other restrictions and conditions related to the COVID-19 pandemic situation. However, definite assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.</p>                                                                                                                                                                                                                                                                                      | <p>As part of its review of the year-end balance sheet, the Company has made an assessment of recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Inventory and Financial assets and has concluded that no adjustments are required to be made to the carrying values of such assets as at March 31, 2020</p> |
|         | <p>f) The Title Deed of Land at Jail Road, "CNP Nashik" amounting to Re. 1 in the Books of Accounts, is not transferred in the name of the Company.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>The process of registration of land has been completed.</p>                                                                                                                                                                                                                                                                                                          |

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

**(Tripti P. Ghosh)**

Chairman & Managing Director

DIN : 08123112

**Date:** 16<sup>th</sup> December 2020

**Place:** New Delhi





**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 2020**

The preparation of financial statements of Security Printing and Minting Corporation of India Limited (SPMCIL) for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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 Audit Report dated 20 August 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of SPMCIL for the year ended 31 March 2020 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory 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.

**A. Comments on Notes to the Accounts**

**Significant Accounting Policies (Note No. 2.4)**

- I. The Company has not implemented Ind AS 116 which came into force on 1<sup>st</sup> April 2019. This has resulted in non compliance of a statutory

requirement.

- II. Accounting Policy Note No. 2.4.1 of the Company related to the Revenue Recognition states "Revenue from other products (Postal Stationary, Passport and Non Judicial Stamp Paper) is accounted for on the basis of sales invoices raised by the Company". The policy is silent about the rates to be considered for raising of invoices. The policy needs revision.

**B. Comment on Disclosure**

In the cases of bank notes, the company books revenue, as per Fair Selling Price finalised by the CAC (Ministry of Finance) and bills RBI accordingly. However, RBI has not accepted the billed rates from the year 2012-13.

In the 5<sup>th</sup> Meeting of Strategic Planning Group held on 12.12.2019, the Secretary (EA) referred the issue of the long pending case of finalisation of rates to the Tariff Commission under Ministry.

This fact needed disclosure.

**C. Comment on Statutory Auditor's Report**

**Independent Auditor's Report (Annexure IV)**

The Statutory Auditor has not mentioned that the title deed of Immovable Property at Sector-1, Noida was not available with the company on the Balance Sheet date.

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

**Sd/-**

**(Manish Kumar)  
Principal Director of Audit  
(Finance & Communication)**

Place: New Delhi  
Date: 19.11.2020



## ANNEXURE-V

### **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

The preparation of Consolidated Financial Statements of Security Printing and Minting Corporation of India Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 12 August 2020.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of Security Printing and Minting Corporation of India Limited for the year ended 31 March 2020. We conducted the supplementary audit of financial statements of Security Printing and Minting Corporation of India Limited (the company) and Bank Note Paper Mill India Private Limited (Joint Venture) for the year ended 31 March 2020. 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) read with Section 129(4) of the

Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

#### **A. Comments on Notes to the Accounts**

##### **Significant Accounting Policies (Note No. 2.4)**

- I. The Company has not implemented Ind AS 116 which came into force on 1<sup>st</sup> April 2019. This has resulted in non compliance of a statutory requirement.
- II. Accounting Policy Note No. 2.4.1 of the Company related to the Revenue Recognition states "Revenue from other products (Postal Stationary, Passport and Non Judicial Stamp Paper) is accounted for on the basis of sales invoices raised by the Company". The policy is silent about the rates to be considered for raising of invoices. The policy needs revision.

#### **B. Comment on Disclosure**

In the cases of bank notes, the company books revenue, as per Fair Selling Price finalised by the CAC (Ministry of Finance) and bills RBI accordingly. However, RBI has not accepted the billed rates from the year 2012-13.

In the 5<sup>th</sup> Meeting of Strategic Planning Group held on 12.12.2019, the Secretary (EA) referred the issue of the long pending case of finalisation of rates to the Tariff Commission under Ministry.

This fact needed disclosure.

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

**Sd/-**

**(Manish Kumar)  
Principal Director of Audit  
(Finance & Communication)**

Place: New Delhi  
Date: 20.11.2020





**ANNEXURE-VI**

**MANAGEMENT REPLIES TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE AND CONSOLIDATED FINANCIAL STATMENTS OF SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH, 2020**

**Para A(I) :**

Ind AS-116 is applicable to IGM Noida and IGM Kolkata units of SPMCIL. In IGM, Noida-

- The value of assets is correctly disclosed in the books as lease rent.
- The asset value is being amortised.
- The amortised value is being shown in the books of accounts.
- The future lease liability is NIL as one time payment has been deposited by the MINT.

Thus, the requisites of Ind AS-116 have been followed by the IGM, Noida. For compliance of Ind AS-116, no additional entries are required to be passed in the books, except for the disclosure in the Notes to accounts, which shall be taken care of in FY 20-21.

In IGM Kolkata- There are two leases at an annual rent of ₹11.82 lakh with Kolkata Port Trust (KoPT) which come within the perview of Ind AS -116.

- The Mint is making payment of lease rent and debiting to expenses.
- The value of right to use assets, being equal to the present value of the lease rentals to be paid during the terms of lease is required to be calculated in the books.
- The future lease liability is required to be calculated, equal to the present value of the lease rentals to be paid.
- The right to use assets are required to be amortised on yearly basis.

Though the impact of amount of lease rent paid has been taken in books, disclosures as per Ind As were omitted.

For compliance of Ind AS, IGM Kolkata will make the requisite entries in books of accounts from FY 2020-21 or above and also give adequate disclosure in the Notes to accounts. This shall be taken care of in FY 2020-21.

**Para A(II) :**

The invoicing is done at the latest available rates as are approved by office of Chief Advisor Cost (CAC). However the differences, if any, between the billing rates and the rates finalized by Chief Advisor Cost, Ministry of Finance are accounted for in the financial year in which such rates are approved by Ministry of Finance from year to year.

A reference is drawn to the Notes forming part of accounts.

The disclosure has been made in note 41-B and C on the methodology of recognising revenue for differences in the billing rates and the rates finalised by the Ministry of Finance for postal items.

It is also in accordance with IND AS-115 (Para 87 & 88). However, the policy will be suitably revised during FY 2020-21.

**Para B :**

The disclosure as observed by C&AG, will be made in the Financials of FY 2020-21.

**Para C : (Reply by Statutory Auditor on C&AG comments on Standalone Financial Statements)**

The Sub-Registrar-1, NOIDA (Gautam Budh Nagar) had vide letter dated 26.06.2019 conveyed the requisite registration fees to be paid for the registration of the immovable property located at D-1, Sector 1, Noida. The Company had deposited ₹13,95,48,650/- towards registration charges in January, 2020 whereby substantive steps had already been taken for the registration of the property in the name of the Company. The process of transfer of title had been substantially completed and could not reach its logical conclusion only in view of the outbreak of COVID-19 and the nation-wide lockdown.

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

**(Tripti P. Ghosh)**

Chairman and Managing Director  
DIN : 08123112

**Date:** 16<sup>th</sup> December 2020

**Place:** New Delhi



FORM NO. MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2020**

*[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]*

To,

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

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, 2020 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 **31<sup>st</sup> March, 2020** 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 applicable of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company)**

**(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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) DPE Guidelines on Corporate Governance for CPSEs.

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 per section 149(4) of the Companies Act, 2013, the SPMCIL is required to appoint at**





**least two Independent Directors on its Board. However, during our Audit it was observed that, the Company had appointed only 1 Independent Director on its Board i.e. Mr. P. J. Mathew.**

**Further, the term of Mr. P. J. Mathew had also been expired from the post of Independent Director w.e.f. 15th February, 2020.**

**Thus, there are no Independent Director on the board of the company w.e.f. 15th February, 2020.**

**We further report that**

In the absence of requisite number of Independent Directors, the Company has not complied with the requirement, pertaining to the composition of the Board of Directors to be constituted as per the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or as per the compliance of shorter

notice provisions 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.

Provisions in relation to the decisions approved by resolution passed by Circulation or Meeting through Audio video is duly complied and in conformity with the Secretarial Standard.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**We further report that:**

During the period under review Company has bought back its securities (Equity Share) in accordance with the applicable provision(s) of Companies Act, 2013 read with Rule 17 of the Companies (Share Capital and Debentures) Rules, 2014.

**For J. K. Gupta & Associates**

**Sd/-**

**Jitesh Gupta**

FCS No. 3978

C P No.: 2448

UDIN : F003978B000568982

**Place:** Delhi

**Date:** 11.08.2020

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.



**To,**

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

Our Secretarial Audit Report for the Financial year ended on March 31st , 2020 of even date is to be read along with this letter.

Our responsibility is to express our opinion, on the basis of the secretarial records provided to us at the time of Audit and Management Representation Letter issued by the Management of the Company. It is further stated that :

1. Maintenance of secretarial record is the responsibility of the Management of the company.
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 Auditor's 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the 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 & Associates**

**Sd/-**

**Jitesh Gupta**

FCS No. 3978

C P No.: 2448

UDIN : F003978B000568982

**Place:** Delhi

**Date:** 11.08.2020





## REPLY TO THE OBSERVATIONS OF SECRETARIAL AUDITORS

| Sl. No. | Auditor's Observations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Company's Reply                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 01      | <p>As per section 149(4) of the Companies Act, 2013, SPMCIL is required to appoint at least two Independent Directors on its Board. However, during our Audit it was observed that, the Company had appointed only 1 Independent Director on its Board i.e. Mr. P. J. Mathew.</p> <p>Further, the term of Mr. P. J. Mathew had also been expired from the post of Independent Director w.e.f. 15<sup>th</sup> February 2020.</p> <p>Thus, there are no Independent Director on the board of the company w.e.f. 15<sup>th</sup> February 2020.</p> | <p>SPMCIL being an unlisted Government Company is required to appoint at least 2 directors as independent directors in pursuance of Section 149 read with Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014. Further SPMCIL is wholly owned by Government of India hence it is a Government Company under the Companies Act, 2013. As per the Articles of Association of SPMCIL, the power to appoint the Directors on the Board of Directors of the Company vests with the President of India acting through Department of Economic Affairs, Ministry of Finance. Due to completion of tenure of Shri P.J. Mathew, Independent Director on 15.02.2020, the DEA, Ministry of Finance was requested to extend the term of Independent Director and appoint new Independent Director on the Board of the Company. The appointment of Independent Directors on the Board of SPMCIL is under consideration of Department of Economic Affairs, Ministry of Finance.</p> |

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

**(Tripti P. Ghosh)**

Chairman & Managing Director  
DIN : 08123112

**Date:** 16<sup>th</sup> December 2020

**Place:** New Delhi



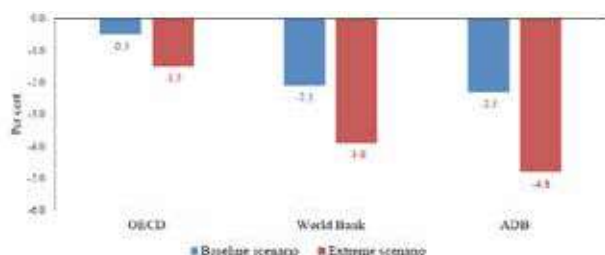
## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### A. INDUSTRY STRUCTURE AND DEVELOPMENTS

#### 1.1 WORLD ECONOMIC ENVIRONMENT

World economy has seen significant changes in the past three years. All major indicators of economic activity such as Industrial Production, Manufacturing PMI and World Trade volumes started showing a downward trend in 2019 after registering a robust growth in 2017 and second half of 2018. As per report published by UNCTAD in February 2020<sup>1</sup>, world gross product growth rate slipped to 2.3 percent in year 2019, the lowest growth rate registered since 2008-2009. Escalating geopolitical conflict coupled with elevated trade tensions and increasing climate risks made a serious impact on many economies across the globe. Rising tariffs amid rising global trade tensions fueled policy uncertainties and led to significant disruptions in international supply chains. As a result, trade volumes growth in the first half of 2019 stood at 1 percent<sup>2</sup>. Uncertainties in economic environment further discouraged consumer spending which slowed down in 2019. Also, global purchases of machinery and equipment decelerated, with firms turning more mindful about long-term spending<sup>3</sup>.



**Figure 1 Estimate of Impact on Global Growth in 2020 due to COVID-19**

1 [https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESP2020\\_FullReport.pdf](https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESP2020_FullReport.pdf)

2 World Economic outlook, Global Manufacturing Downturn, Rising Trade Barriers; oct 2019, IMF

3 <https://blogs.imf.org/2019/12/18/2019-in-review-the-global-economy-explained-in-5-charts/>

According to World Economic Outlook published by IMF in January 2020, global growth was estimated to reach 3.3 percent in the year 2020<sup>4</sup>. However, due to COVID-19 pandemic, projections were revised estimating a sharp contraction of 3 percent in the global economy for the year 2020<sup>5</sup>, much worse than during the 2008–09 financial crisis.

Businesses are expected to face strong headwinds due to COVID-19. The pandemic is leading to high human costs worldwide and necessary protection measures are being implemented in almost every country, severely impacting the economic activity.

Decline in GDP growth along with regional measures regarding cash payments usage is estimated to adversely affect currency printing industry in 2020. Further, increased usage of contactless payment methods and growing mobile payment users in the wake of pandemic might impact the currency printing industry in the long term<sup>6</sup>.

While growth in the year 2020 is expected to dip further due to COVID-19, it is expected to start picking-up in the coming year as the pandemic fades away in second half of year 2020 as gradual relaxation of containment efforts takes place. In a baseline scenario—which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support. However, many downside risks such as further escalation of trade tensions, deterioration of financial market conditions among others remain and cloud the global outlook.

4 <https://www.imf.org/en/Publications/WEO/Issues/2020/01/20/weo-update-january2020>

5 <https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>

6 <https://www.businesswire.com/news/home/20200421005354/en/Global-Banknote-Market-Report-Potential-Impact-COVID-19>



## 1.2 INDIAN ECONOMIC ENVIRONMENT

The Indian economy registered a slowdown in 2019-20 with GDP growth falling from 6.8 percent in 2018-19 to 5 percent in the first quarter of 2019-20 and to 4.5 percent in the second quarter of 2019-20. A weak rural demand and the stress on the financial sector contributed to the sluggish growth<sup>7</sup>.

The reduction in Current Account Deficit (CAD) as percentage of GDP to 1.5 percent in H1 of 2019-20 along with robust growth in Foreign Domestic Investments (FDI), rebound in Foreign Portfolio Investments (FPI) and expanding Foreign Reserves indicated a positive trajectory of the economy on the external front.

The Government took a slew of measures to revamp the financial sector, address the Non-Banking Financial Companies (NBFCs) crisis, reduce the stress in the real state sector and speed up the resolution process under Insolvency and Bankruptcy Code (IBC). The measures taken by Government were supported by an accommodative monetary policy. The Reserve Bank of India (RBI) cut the repo-rate by 110 basis points since 2019 to ease the credit flow in the economy. These initiatives had a positive impact on the economy as the real consumption growth recovered in second quarter of 2019-20.

### **GDP performance in 2019-20 from the demand side (comprising consumption, investment and net exports)**

- i. The Private Final Consumption Expenditure (PFCE) grew by 3.1 per cent in first quarter of 2019-20 and improved to 5.1 per cent in the second quarter of 2019-20 but remained slower as compared to provisional estimates of 8.1 per cent in 2018-19. As per forecast by RBI through Survey of Professional Forecasters (SPF) the PFCE growth is expected at 7.6 per cent during 2019-20.
- ii. The Government Final Consumption Expenditure (GFCE) grew at 8.8 percent in first quarter of 2019-20 and improved to 15.6 per cent in the

second quarter of 2019-20, showing significant growth as compared to 9.2 per cent of provisional estimates of 2018-19.

- iii. The Gross Fixed Capital Formation, an indicator of investments across the country, showed a decline of 1.2 percent (advanced estimates) during 2019-20, against the growth of 10 per cent recorded in 2018-19.
- iv. Exports of goods and services declined by 1.2 per cent during 2019-20 (advanced estimates). Imports, too, declined by 2.4 per cent, during the same period. As a result, net exports saw a growth of 1.1 per cent in 2019-20.

### **Outlook for Growth & Impact of COVID-19 on India's Economy**

Prior to the outbreak of COVID-19, the outlook for growth for 2020-21 was looking positive. First, the bumper rabi harvest and higher food prices during 2019-20 provided conducive conditions for the strengthening of rural demand. Second, the transmission of past reductions in the policy rate to bank lending rates has been improving, with favorable implications for both consumption and investment demand. Third, reductions in the goods and services tax (GST) rates, corporate tax rate cuts in September 2019 and measures to boost rural and infrastructure spending were directed at boosting domestic demand more generally. The COVID-19 pandemic has drastically altered this outlook. The global economy is expected to slump into recession in 2020, as post-COVID projections indicate. The sharp reduction in international crude oil prices, if sustained, could improve the country's terms of trade, but the gain from this channel is not expected to offset the drag from the shutdown and loss of external demand<sup>8</sup>.

The IMF released its global growth projections, revealing that in 2020, the global economy is expected to move into the worst recession since the Great Depression, far worse than the Global Financial Crisis. The cumulative loss to global GDP over 2020

<sup>7</sup> Economic Survey 2019-20

<sup>8</sup> <https://www.rbi.org.in/Scripts/PublicationsView.aspx?id=19439#12>





and 2021 is estimated at around 9 trillion US dollars. Within this downturn, the projections are replete with even sharper declines in output in various countries. India is among the handful of countries that is projected to cling on tenuously to positive growth (at 1.9 per cent). In fact, this is the highest growth rate among the G 20 economies. For 2021, the IMF projects sizable V-shaped recoveries: close to 9 percentage points for global GDP. India is expected to post a sharp turnaround and resume its pre-COVID pre-slowdown trajectory by growing at 7.4 per cent in 2021-2022<sup>9</sup>.

### 1.3 Key Industry Trends

#### i. Coins

- a) Mints across the globe have progressively started to focus towards product diversification. Major share of revenues for global mints consistently accrue from bullion sales and numismatic businesses. While, circulation coin business for most mints has remained consistent, there is always an uncertainty associated with circulation coin demand considering the high uptake of cashless mode of payments. Furthermore, foreign circulation business has become more price competitive with evidence of decreasing margins for most global players.
- b) On the circulation coin front, efforts are being targeted towards making coins more secure. This is accomplished through incorporation of distinct shapes, latent imaging, micro lettering etc. in coins. On the numismatic front, focus on research and innovation tops the agenda for global mints. Colored coins, tri-metal coins with intricate high relief designs are in vogue and provide enhanced premiums to mints.

#### ii. Banknotes:

- a) **Use of durable solutions for printing currencies:** Central banks are shifting from paper notes towards novel solutions with higher durability for printing currencies. These solutions include superior varnishes and coatings, hybrid substrates, paper/polymer composites, and pure polymer substrates.
- b) **Improved security and innovative designs:** High incidence of counterfeits and fragility of banknotes developed with traditional technology and processes have given a new impetus to Central Banks to shift towards more secure solutions. Banknotes printers are increasing incorporating highly secure features such as Ink taggants, Holograms, motion security threads, ink-based security features (Spark ink, IR Inks and UV Inks), micro perforations etc. The designs are also becoming simple, interesting and exciting, while containing novel optical and covert features.

#### iii. Security Printing:

- a) The industry is fast moving towards digital solutions. Several security printed documents have already been replaced by their digital substitutes.
- b) Digitization of traditional stamping paper and franking and introduction of e-IDs, digital stamps, etc. are expected to affect growth of traditional security printing organizations across the globe. Digital adoption is the need of the hour.
- c) Increased usage of technologies such as Blockchain, and track & trace have allowed for additional layer of security to track and authenticate products throughout the supply chain.

<sup>9</sup> <https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>



## B. SWOT ANALYSIS OF SPMCIL

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Strengths</b></p>  | <ol style="list-style-type: none"> <li>1. SPMCIL is the only company in India manufacturing Circulating Coins, Passports, Non-Judicial Stamp Papers, Postal Stationery and one of the two Companies printing Bank Notes.</li> <li>2. Over 75 years of experience in Currency Printing for India as well as for foreign countries and over 2 centuries of Minting experience.</li> <li>3. Large workforce of 8218 efficient staff working in nine units across different parts of India.</li> <li>4. ISO 9001:2000 and ISO 14001:2004 certified units.</li> <li>5. Quality assurance departments equipped with advanced assay laboratories and specialized analysis techniques to ensure excellence in end products.</li> <li>6. Large security printing product portfolio.</li> <li>7. Prior international experience in coin minting and banknote printing for foreign countries.</li> <li>8. Only organization authorized to mint and distribute all commemorative coins of Government of India including proof and uncirculated variety.</li> <li>9. Large portfolio of clients from Central Government departments to State level agencies/ departments, Banks, temple trusts, educational institutes and many more.</li> <li>10. IGMs are one of the largest and most reputed precious metal refiners in India offering refining services for precious metals donated to temples and involved in production of mementos/coins for places of spiritual value.</li> <li>11. Mumbai mint is the authorized agency to manufacture and supply Reference, Secondary and Working Standards of Mass, length and Volume against the traceability of corresponding Standard Sets authenticated by National Physical Laboratory (NPL), India.</li> <li>12. SPMCIL has exclusive printing facility and expertise in the production of commemorative Postal Stamps.</li> <li>13. SPMCIL employs specialized technology and multiple printing processes to produce security products under secure operating procedures and manufacturing protocols.</li> </ol> |
| <p><b>Weaknesses</b></p> | <ol style="list-style-type: none"> <li>1. Being a government organization, slow bureaucratic decisions may reduce efficiency.</li> <li>2. Dependence on external sources for key inputs leads to exposure of the company to market risk.</li> <li>3. Reactive approach towards new product / business development.</li> <li>4. Old machinery and inefficient plant layout.</li> <li>5. High inventory holding period leads to blockage of working capital.</li> <li>6. High manpower cost renders SPMCIL uncompetitive in public procurements.</li> <li>7. Limited international partnerships with global agencies.</li> <li>8. No presence in international markets.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |



|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Opportunities</b> | <ol style="list-style-type: none"> <li>1. High export potential to other countries for various security products. demanding strong authentication and anti-counterfeit security features.</li> <li>2. High domestic market potential in bullion, medals and medallions, educational certificates and other security documents (such as social security certificates).</li> <li>3. Increasing demand of commemorative coins in domestic market.</li> <li>4. Large export market for supply of Banknotes, circulation coins and commemorative coins in Asia, Africa and America.</li> <li>5. Opportunity for international partnerships in joint product development with global mints / printers.</li> <li>6. Opportunity to venture into new product segments such as theme-based medallions, color medallions and corporate gifting.</li> </ol>                                                               |
| <b>Threats</b>       | <ol style="list-style-type: none"> <li>1. High debtors due to delay in payments by customers.</li> <li>2. Limited suppliers of raw materials and plant &amp; machinery.</li> <li>3. Impact of COVID 19 pandemic on overall world economy might lead to spillover effect on supply chains and decline in export activities across various sectors including currency printing.</li> <li>4. New impetus to growth of digital transactions during containment efforts for COVID pandemic may consequently lead to decline in demand for cash for day-to-day transactions and adversely affect future indents.</li> <li>5. Rapid digitization of products such as Non-Judicial Stamp Papers and track-and-trace technology in excise labels pose a threat to viability of existing printed documents.</li> <li>6. High entry barriers to foray in international banknote and coin supply export market.</li> </ol> |

### C. RISKS AND CONCERNS

SPMCIL has a sub-committee of the Board, called Risk Management Committee (RMC), constituted in compliance with Companies Act, 2013 and DPE Guidelines. The committee is responsible for overseeing the effective establishment and implementation of an Enterprise Risk Management framework within which identified risks are evaluated and managed. RMC focuses on the identification and management of the key risks which could impact the achievement of SPMCIL's policies, aims and strategic objectives. RMC is also instrumental in formulating risk mitigation strategies and action plans for short term as well as long term basis. SPMCIL identified the following areas as its risk priorities and framed corresponding mitigation strategies in FY 2019-2020:

- **Strategic Risks:** Strategic risks are classified as probability that company's plans and strategies will fail to play as expected. In order to stay relevant

in today's rapidly changing business scenario, it is imperative for our organization to take strategic decisions and look beyond conventional business models. Strategic decisions such as capacity building, new investments, resource allocation, enactment of new delivery models and business expansion across geographies have some inherent risks attached to them with a potential to impact the Company's performance. SPMCIL is taking assistance of independent advisors to ensure a broad view of strategic risk is considered which incorporates any major risks with the potential to impact SPMCIL's long-term positioning and business performance.

- **Global Political and Economic instability:** Apart from ongoing risks posed by unstable international political and economic environment, organization also faces the risks arising from occasional events such as trade wars among nations, increased





taxation, labor strikes, etc. These risks further help us in understanding the global scenario and serve as an input to our strategic decisions. SPMCIL with the help of independent advisors has been taking initiatives in assessing the impact on company's business expansion strategy due to the identified risks from global political and economic instability in the long run.

- **Compliance risk with respect to laws and regulations:** Failure in adherence to the rules, regulations and laws laid out by the legal system can lead to risk of facing litigations and penalties. Given the nature of the business, compliance with laws and regulations becomes an essential part of SPMCIL's business. Frequent changes in legal and regulatory regime and introduction to newer regulations makes the compliance process complex. However, SPMCIL has made timely investments for meeting regulatory requirements laid out by authorities and has always been successful. The company pro-actively engages with the Government and regulators to develop a regulatory framework which best fits to the interest of stakeholders. We have made constant efforts to develop a culture of individual responsibility and accountability within the organization by ensuring each employee is aware of and comply with regulations & laws specific and relevant to their roles. SPMCIL's compliance to laws and regulations reflects in the overall culture of the company.
- **Key operational failure risk:** Risks arising out of loss resulting from inadequate or failed processes, people and information system have the potential to impact the efficiency and effectiveness of business operations. As businesses are driven increasingly by advancements in technology, globalization and competition, operational risks have become more complex to manage. SPMCIL has formulated Standing Operating Procedures (SOPs) for various processes/systems in order to mitigate these risks.
- **Technology readiness to meet current and future market requirements:** Importance of becoming future ready in the world of rapid digitization, automation and consistently increasing demand of sophisticated technology cannot be overstated.

SPMCIL's business verticals and product portfolio face the challenge posed by rapid adoption of digital security features and process automation, to which our company has responded pro-actively by taking initiatives to expand our current digital and R&D capabilities and identify areas for developing credentials in digital product space.

- **Physical Security risk:** Due to security sensitive nature of SPMCIL's business, there is always a risk of security breach. To maintain high levels of security, latest state-of-the-art security systems have been installed in units. Company has also deployed Central Industrial Security Force (CISF) and the State Paramilitary forces to look after the security of the units. Intelligence Bureau (IB) officials are posted in the Security Presses and Security Paper Mill.
- **Cyber Security risk:** SPMCIL's operations are becoming increasingly dependent on IT systems for information management. It has led to an increased digital interaction within company's intranet as well as with the external network. These developments place a greater emphasis on the need to secure IT systems & infrastructure and security of the critical information. The cyber-attack threat by unauthorized access, misuse of sensitive data and interruptions to critical application processes continues to increase. To reduce the impact of external cyber-attacks impacting our business, we have installed firewalls and threat monitoring systems with immediate response capabilities to mitigate identified threats. Our information security team continuously monitors and improves organization's cyber security posture.

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

## **D. OUTLOOK**

SPMCIL collectively has almost 100 years of security printing experience and over two centuries of minting experience. The company has continuously evolved and adapted to changing Macro-economic



scenarios over the years. With the imminent adverse impact of COVID-19 on global and Indian economy, SPMCIL might face challenges in the short-term due to changes in demand and usage pattern of banknotes and coins—the two most prominent product segments. However, it is expected to stabilize upon eventual revival of global as well as domestic economic scenario estimated to start during second half of 2020. In the long-term, SPMCIL will take measures to stay competitive in existing business lines of banknotes, coins and security items. Increased focus shall be given to research and development, machinery modernization and capacity building to sustain the wave of upcoming technology and security features in product segments. Domestic market expansion of existing product segments (commemorative coins, excise labels, educational certificates) shall also be undertaken.

In addition to the increased focus on productivity improvement and business expansion in existing core business lines, SPMCIL shall also focus on product diversification strategy. The strategy shall be based on using our expertise and assets to grow our business by exploring opportunities to cater to the demand of overseas market for currency and security products. Diversification strategy shall also include launch of new product lines in a phased manner.

SPMCIL remains confident about the future of business as various new business development activities are at full swing and multiple initiatives are being undertaken to expand current clientele. SPMCIL will keep exploring new initiatives to ensure that organization continues to grow, succeed and create a long-term value for all its stakeholders.

## E. REVIEW OF FINANCIAL PERFORMANCE

The Ministry of Corporate Affairs (MCA) notified Companies (Indian Accounting Standard) Rules, 2015 enabling implementation of Ind AS. Pursuant to this notification, SPMCIL and its Joint Venture Company, BNPMIPL have adopted Ind AS with effect from 1st April 2016. Accordingly, the Standalone and Consolidated Financial Statements for the year ended 31st March 2020 and 31st March 2019 have been prepared in accordance with Ind AS. The Revenue from Operations of your Company has decreased to ₹4966.07 crores in 2019-20 from ₹5711.34 crores in the previous year 2018-19. The decrease in revenue is due to reduction in production/sales due to lockdown declared by the Government of India to combat the outbreak of COVID-19 pandemic. Total expenditure for the year 2019-20 is ₹4149.58 crores as compared to ₹5024.53 crores (regrouped) for the year 2018-19. Profit before Tax (PBT) from continuing operations for the year 2019-20 is ₹1026.79 crores as compared to ₹800.69 crores (regrouped) for the year 2018-19 registering a growth of 28.24% over previous year. The Company has achieved a Total Comprehensive Income (TCI) of ₹547.36 crores in the year 2019-20 as compared to ₹517.12 crores (regrouped) in the year 2018-19. The consolidated TCI after taking into account the 50% share of Joint Venture Company, Bank Note Paper Mill India Pvt. Ltd. (BNPMIPL) is ₹677.93 crores in the year 2019- 20 as compared to the Consolidated TCI of ₹605.99 crores (regrouped) in the year 2018-19. The comparative performance of major financial parameters (standalone) is given below:

### RESULTS (STANDALONE)

(₹ in Crores)

| Particulars                | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019<br>(Regrouped) |
|----------------------------|---------------------------------------------------|------------------------------------------------------------------|
| Revenue from Operations    | 4966.07                                           | 5711.34                                                          |
| Profit Before Tax (PBT)    | 1026.79                                           | 800.69                                                           |
| Profit After Tax (PAT)     | 527.60                                            | 513.38                                                           |
| Total Comprehensive Income | 547.36                                            | 517.12                                                           |



## Break-up of Revenue from Operations

(₹ in Crores)

| Particulars                        | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|------------------------------------|---------------------------------------------------|---------------------------------------------------|
| <b>(A) Sale of Products</b>        |                                                   |                                                   |
| Banknotes                          | 2059.96                                           | 2419.19                                           |
| Circulating Coins                  | 1435.14                                           | 1846.18                                           |
| Medals and Commemorative Coins     | 45.93                                             | 55.05                                             |
| Security Inks                      | 23.89                                             | 69.67                                             |
| Passport & Allied                  | 496.49                                            | 472.24                                            |
| Postal Items                       | 30.79                                             | 20.94                                             |
| Non Postal Items                   | 65.17                                             | 44.86                                             |
| Non Judicial Stamp Papers          | 505.65                                            | 510.00                                            |
| Others                             | 159.28                                            | 170.49                                            |
| <b>(B) Revenue from Services</b>   |                                                   |                                                   |
| Job Work                           | 5.55                                              | 8.84                                              |
| Other Service                      | 0.24                                              | 0.12                                              |
| <b>(C) Other Operating Revenue</b> |                                                   |                                                   |
| Scrap Sale                         | 155.80                                            | 92.04                                             |
| Other operating activities         | 4.26                                              | 1.72                                              |
| Rate Difference                    | -22.08                                            | -                                                 |
| <b>TOTAL</b>                       | <b>4966.07</b>                                    | <b>5711.34</b>                                    |

## Management of Funds

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

## F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

SPMCIL has an adequate internal control system in place in the form of well documented policies and procedures that cover critical as well as important

activities of financial and other operating functions.

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

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

*"Internal Controls are not just things, they are people at every level of an Organization. Internal controls rely on people for their effectiveness and are affected by the inherent faults of people"*





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

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

Some significant features of internal control system are:

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

## **G. HUMAN RESOURCE MANAGEMENT REVIEW**

*"Human Resource isn't a thing we do, It's the thing that runs our business"*



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

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

It is the Human Resource which is an invaluable asset during the phase of transition in your Company as one machine can do the work of fifty ordinary men but no machine can do the work of one extraordinary man. Since employees are not disposable commodities, therefore various measures are being taken for welfare of the employees including socialization programmes, community activities, cultural functions, games and sports etc. In comparison to the preceding year, i.e. 2018-19, the Employees strength has come down from 8918 to 8218 as on 31.03.2020 due to natural attrition of manpower on account of superannuation.



## H. ENVIRONMENT PROTECTION AND CONSERVATION

*"What we are doing to the forests of the world is but a mirror reflection of what we are doing to ourselves and to one another"*

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

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

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

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

(ISO 14001:14004) for better environmental management.

## I. REPORT ON CORPORATE SOCIAL RESPONSIBILITY

*"Business need to go beyond the interest of their companies to the communities they serve."*

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

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

## J. CAUTIONARY STATEMENT

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



## GLIMPSES OF CSR ACTIVITIES



Presentation of Cheque of ₹ 1 Crore to Shri Kiren Rijju, Hon'ble Minister of State (IC), Ministry of Youth Affairs & Sports under the CSR initiatives.



Handing over of 6 Nos. Dialysis Machines to Bhagwan Mahavir Foundation, Hyderabad.





*Handing Over of 300 Nos. Food Distribution Vessels to Akshaya Patra Foundation, Hyderabad for Distribution of Mid-Day Meals to Students.*



*Ceremony for Handing Over of 2 Nos. Buses and Physiotherapy Equipment's to Parvodayi Trust, Nashik for Differently Abled Mentally Challenged Students at Nashik.*



## **ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2019-20**

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

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

The purpose of this policy is:

- To define CSR projects or programs which SPMCIL plans to undertake and which fall within the purview of the Companies Act 2013, the Companies (CSR Policy) Rules, 2014 and the Guidelines on CSR and Sustainability issued by Department of Public Enterprises vide O.M. dated 21<sup>st</sup> 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/ Rural Development
- iv) Construction of Toilets
- v) Providing Solar Lights
- vi) Skill Development
- vii) Contributions towards Swachh Bharat Kosh
- viii) Contributions towards Clean Ganga Fund
- ix) Disaster Management (Covid-19)

CSR Policy and Project or programs have been uploaded on the website of the Company, [www.spmcil.com](http://www.spmcil.com).

### **2. The Composition of the CSR Committee**

As on 31<sup>st</sup> March 2020, the CSR Committee of Board of Directors of the Company was consisting of the following Directors of the Company.

- i) Shri Arun K. Chatterjee, Addl. Secretary (PSP) & Chief Passport Officer, Ministry of External Affairs & Director, SPMCIL (Chairman)
- ii) Shri S.K. Sinha, Director (HR), SPMCIL (Member)

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

₹ 78,652.20 Lakhs

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

₹ 1,573.00 Lakhs

### **5. Details of CSR amounts spent during the financial year**

- (a) Total amount spent for the financial year: **₹ 907.21 Lakhs**
- (b) Amount unspent, if any: **₹ 665.79 Lakhs**



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

(Amount in ₹)

| Sl. No.                                              | CSR project or activity identified                                                                                       | Sector in which the project is covered | Project or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency                |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------|
| (1)                                                  | (2)                                                                                                                      | (3)                                    | (4)                                                                                                                      | (5)                                             | (6)                                                                                                              | (7)                                               | (8)                                                                |
| <b>A CARRY FORWARD PROPOSAL FOR THE YEAR 2018-19</b> |                                                                                                                          |                                        |                                                                                                                          |                                                 |                                                                                                                  |                                                   |                                                                    |
| 1                                                    | Providing 6 Nos. Dialysis Machine to Bhagwan Mahavir Jain Relief Foundation                                              | Schedule VII Item No.(i)               | 1) Local Area/ SPP, Hyderabad<br>2) District Hyderabad, Telengana                                                        | 30,00,000                                       | 1) 30,00,000<br>2) NIL                                                                                           | 30,00,000                                         | SPP, Hyderabad through open tender                                 |
| 2                                                    | Providing 2 Nos. Mobile Clinic and 5 Dental Chairs for Rural Area of District Gautam Budh Nagar                          | Schedule VII Item No.(i)               | 1. Local Area/ IGM, Noida<br>2) District Gautam Budh Nagar (UP)                                                          | 37,94,596                                       | 1) 21,73,735<br>2) NIL                                                                                           | 32,61,385                                         | IGM, Noida, through GeM, Government e-Market Place                 |
| 3.                                                   | Theme Based Project for Providing Medical Equipment in District Barwani                                                  | Schedule VII Item No.(i)               | 1) Local Area/ BNP, Dewas<br>2) District Barwani (MP) (Aspirational District)                                            | 1,01,41,600                                     | 1) 44,12,000<br>2) NIL                                                                                           | 89,40,000                                         | Through District Administration Barwani District. (Madhya Pradesh) |
| 4.                                                   | Providing Emergency and Essential Equipment to Gandhi Hospital, Hyderabad                                                | Schedule VII Item No.(i)               | 1) Local Area/ IGM, Hyderabad<br>2) District Telangana                                                                   | 99,12,000                                       | 1) 38,94,000<br>2) NIL                                                                                           | 1,01,10,000                                       | Through tendering process by Gandhi Hospital, Hyderabad            |
| 5.                                                   | Providing Equipment Computers and Furniture etc. for Hospital and School of Municipal Corporation of Hawrah              | Schedule VII Item No.(i) & (ii)        | 1) Local Area/ IGM, Kolkata.<br>2) District Howrah (WB)                                                                  | 97,33,720                                       | 1) 11,32,151<br>2) NIL                                                                                           | 67,44,575                                         | Howrah Municipal Corporation                                       |
| 6.                                                   | Construction of Underground Drainage System in Pudur Village, Medchal Mandal, District Malkajigiri                       | Schedule VII Item No.(x)               | 1) Local Area/ IGM, Hyderabad<br>2) District Malkajigiri                                                                 | 49,00,000                                       | 1) 24,50,000<br>2) NIL                                                                                           | 24,50,000                                         | Through State Government Agency, tendering process                 |
| <b>B. PROPOSAL FOR THE YEAR 2019-20</b>              |                                                                                                                          |                                        |                                                                                                                          |                                                 |                                                                                                                  |                                                   |                                                                    |
| 7.                                                   | Providing 2 Nos. of Buses and Physiotherapy Instruments to Pravodani Trust, Nashik                                       | Schedule VII Item No.(i)               | 1) Local Area/ CNP, Nashik<br>2) District Nashik (Maharashtra)                                                           | 47,17,308                                       | 1) 46,23,414<br>2) NIL                                                                                           | 46,23,414                                         | Through GeM by CNP, Nashik                                         |
| 8.                                                   | Construction of Community Centre and Solar Street Lights for Village Oleda, District Bulandshahar                        | Schedule VII Item No.(x)               | 1) Local Area/ IGM, Noida                                                                                                | 44,92,400                                       | 43,66,400                                                                                                        | 43,66,400                                         | District Administration through State Government Agency            |
| 9.                                                   | Skill Development Training through National Safai Karamchari Finance Development Corporation, Ministry of Social Justice | Schedule VII Item No.(ii)              | 1) Local Area/SPMCIL<br>2) New Delhi                                                                                     | 50,09,139                                       | 1) 10,27,283<br>2) NIL                                                                                           | 10,27,283                                         | Through NSKFDC, New Delhi                                          |





| 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)                                                                 |
| 10.                      | Providing Assistive Devices to Divyangjan through ALIMCO at Nashik, Dewas, Hoshangabad and Hyderabad                                                         | Schedule VII Item No.(i)               | 1) Local Area/Nashik, Dewas, Hyderabad & Hoshangabad<br>2) Nashik, Dewas, Hyderabad & Hoshangabad                        | 1,00,00,000                                     | 1) 25,00,000<br>2) NIL                                                                                           | 25,00,000                                         | Through Artificial Limbs Manufacturing Corporation of India, Kanpur |
| 11.                      | Providing 300 Nos. of Insulated Distribution Vessels to Akshaya Patra Foundation                                                                             | Schedule VII Item No.(i) & (ii)        | 1) Local Area/ IGM, Hyderabad<br>2) District Telengana                                                                   | 18,60,060                                       | 1) 18,26,160<br>2) NIL                                                                                           | 18,26,160                                         | Direct by IGM, Hyderabad                                            |
| 12.                      | Providing of 45 Nos. of Ventilators to AIIMS to Combat Covid-19 Pandemic                                                                                     | Schedule VII Item No.(i)               | 1. Local Area/SPMCIL<br>2) AIIMS Jajjar District Haryana                                                                 | 1,98,67,680                                     | 1) 1,98,67,680<br>2) NIL                                                                                         | 1,98,67,680                                       | AIIMS, New Delhi                                                    |
| 13.                      | Providing 05 Nos. of Dental X-Ray Machine with 05 Nos. Stabilizers and 05 Nos. Dental Autoclave(Sterilizers) at various Community Health Centres at GB Nagar | Schedule VII Item No.(i)               | 1) Local Area/ IGM, Noida<br>2) District Administration, GB Nagar (U.P.)                                                 | 52,53,075                                       | 1) 17,52,650<br>2) NIL                                                                                           | 17,52,650                                         | Direct through GeM                                                  |
| 14.                      | Contribution towards National Sports Development Fund (NSDF)                                                                                                 | Schedule VII Item No.(vii)             | 1) Local Area/SPMCIL<br>2) New Delhi                                                                                     | 1,00,00,000                                     | 1) 1,00,00,000<br>2) NIL                                                                                         | 1,00,00,000                                       | Direct through Sports Authority of India                            |
| 15.                      | Contribution to Prime Minister's Relief Fund                                                                                                                 | Schedule VII Item No.(viii)            | 1) Local Area/SPMCIL<br>2) Pan India                                                                                     | 2,38,66,805                                     | 1) 2,38,66,805<br>2) NIL                                                                                         | 2,38,66,805                                       | Direct                                                              |
| 16.                      | Administrative Overheads Rule 4(6) of Companies CSR Policies Rules 2014                                                                                      | -                                      | -                                                                                                                        | -                                               | 1) -<br>2) 10,58,972                                                                                             | -                                                 | -                                                                   |
| 17.                      | Paid towards Nal Jal Yojna for providing Drinking Water in 10 Villages of Hoshangabad District approved in 2014-15                                           | -                                      | -                                                                                                                        | -                                               | 23,69,661*                                                                                                       | 53,69,661                                         | Executive Engineer, Public Health Department, Hoshangabad           |
| 18.                      | Paid towards Nal Jal Yojna for providing Drinking Water in 4 Villages of District Hoshangabad                                                                | -                                      | -                                                                                                                        | -                                               | 4,00,000*                                                                                                        | 20,00,000                                         | Executive Engineer, Public Health Department, Hoshangabad           |
| <b>Total Expenditure</b> |                                                                                                                                                              |                                        |                                                                                                                          |                                                 | <b>9,07,20,911</b>                                                                                               |                                                   |                                                                     |

\*Expenditure on items at sl. no. 17 & 18 booked during the current financial year by SPM, Hoshangabad on the basis of Utilization certificate provided by Executive Engineer, Public Health Engineering Department, Government of M.P.



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

- a) The Company has approved CSR projects of ₹1,635.77 lakhs against 2% mandatory expenditure of ₹1,573 lakhs during the year 2019-20. There were carry forward projects of ₹677.38 lakhs for the financial year 2018-19. Thus the total projects during the year 2019-20 were for the amount of ₹2,313.15 lakhs against which expenditure of ₹907.21 lakhs was incurred up to 31.03.2020. Some of the projects have already been completed; however, the expenditure could not be booked due to lockdown to combat COVID-19 pandemic. The execution of all the CSR projects is in progress at various stages.
- b) Some projects taken up during the year are going to stretch beyond 2019-20. The funds required for completing these projects shall be met from funds already allocated to these projects from the CSR budget for FY 2019-20.
- c) Due to increased focus on monitoring, competitive rates, huge saving were occurred in the project completed during the year 2019-20. These savings were reoriented, and new projects were taken up during the financial year 2019-20. The major projects approved during the year were infrastructure projects relating to Construction of Hostel Building, Construction of School Building, Providing drinking water in village including Tube wells, overhead tank, laying of pipelines Drainage system in the rural area, Construction of Community Centre and School in Tribal area etc. which involve civil works being a time consuming process due to the procedure involved. The payment shall be released in phased manner after the achievement of milestone as per terms and conditions of the agreement.

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

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

Sd/-  
**(B.J. Gupta)**  
CGM (HR)

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

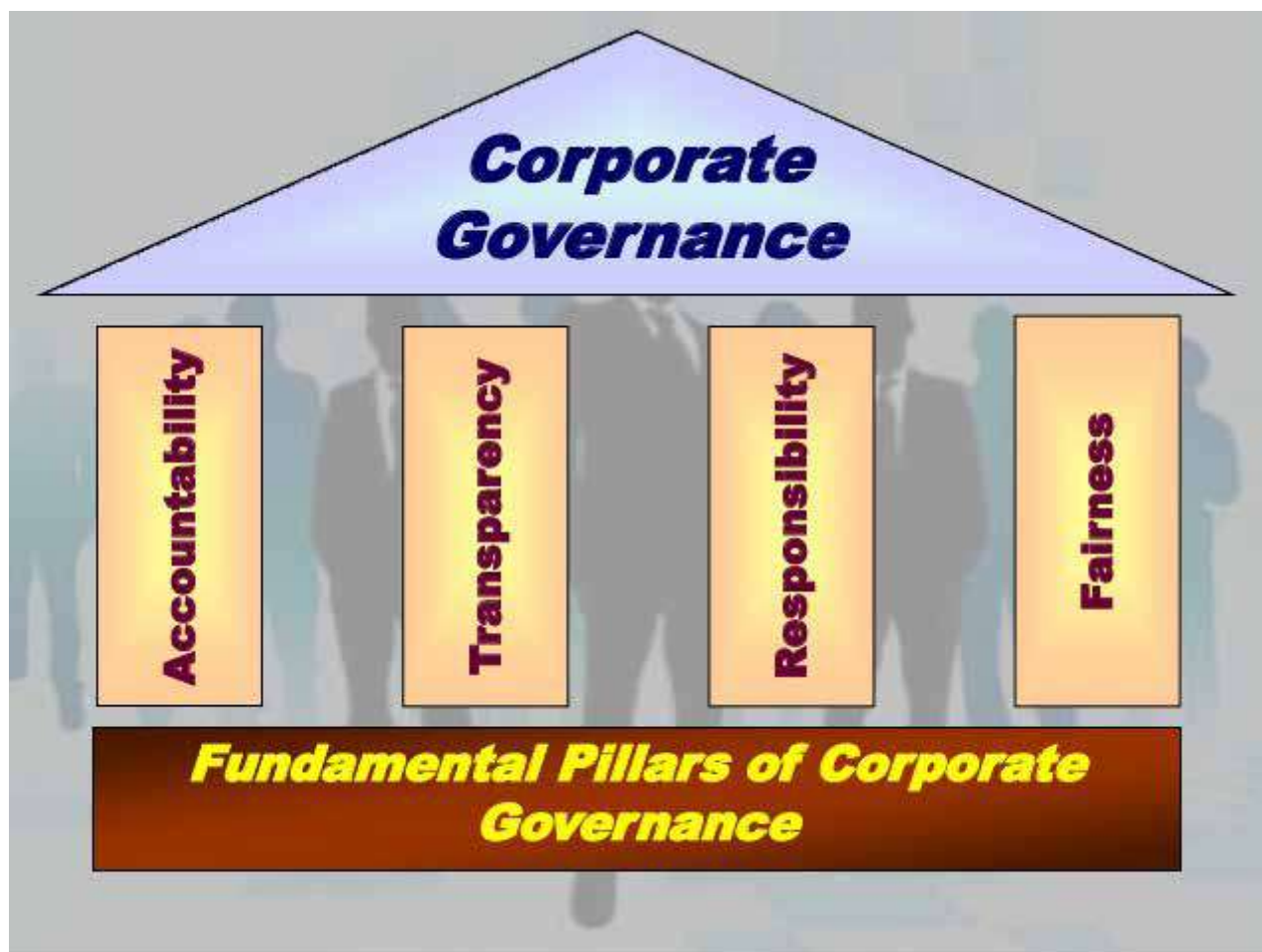
Sd/-  
**(Arun K. Chatterjee)**  
Chairman, CSR Committee  
DIN : 07532401



## REPORT ON CORPORATE GOVERNANCE

Corporate Governance is about promoting corporate accountability, transparency, responsibility and fairness in the best interest of various stakeholders in a Company. It is a system by which business corporations are directed and controlled. Corporate Governance essentially involves balancing the interests of all the stakeholders in a company i.e. shareholders, management, customers, suppliers, financiers, government, employees and the society at large. SPMCIL functions within a sound framework of Corporate Governance which underlines its commitment to quality of governance, accountability to all stakeholders, transparency in disclosures, consistent stakeholders' value enhancement, corporate social responsibility

and fairness in the treatment of all stakeholders. SPMCIL is committed to creating value that is not only profitable to the business but sustainable in the long-term interests of all stakeholders. In pursuit of the same, we consider it our inherent responsibility to disclose timely and accurate information regarding our performance as well as the governance in the Company. SPMCIL is complying with the Corporate Governance norms set by the Companies Act, 2013 and the Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), Government of India. SPMCIL has achieved Excellent rating for compliance of Guidelines on Corporate Governance for CPSEs issued by DPE for the year 2018-19 continuously since inception.







## THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

SPMCIL's essential character revolves around values based on accountability, transparency, integrity, professionalism, responsibility and fairness. At the highest level, the Company continuously endeavors to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the Company forward.

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

The Company recognizes that a good corporate governance is a continuous exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of its stakeholders. It determines the health of an organisation and its ability to survive economic shocks. Keeping in view the philosophy, the Corporate Governance at SPMCIL is based on following main key principles & practices:-

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

- Timely and balanced disclosure of all material information to the shareholders.

## SPMCIL'S GOVERNANCE STRUCTURE

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

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

The core roles of the key entities flow from this structure which in turn determines the core responsibilities of each entity. In order to discharge such responsibilities each entity is empowered formally with requisite powers.

## ROLE OF VARIOUS ENTITIES:

### 1. BOARD OF DIRECTORS

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

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



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

| Particulars                                                                                                                                        | Board Structure | Actual Strength as on 31 <sup>st</sup> March, 2020 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------------------------------------------|
| Chairman & Managing Director (Functional)                                                                                                          | 1               | 1                                                  |
| Whole-time Executive (Functional) Directors                                                                                                        | 3               | 3                                                  |
| Part-time Official (Government Nominee) Directors (two represented by Ministry of Finance & one represented by Ministry of Home Affairs)           | 3               | 3                                                  |
| Part-time Official (End-User Representative) Directors (one each from Ministry of External Affairs, Reserve Bank of India and Department of Posts) | 3               | 2                                                  |
| Part-time Non-official (Independent) Directors                                                                                                     | 2               | 0                                                  |
| <b>TOTAL</b>                                                                                                                                       | <b>12</b>       | <b>9</b>                                           |

As on 31<sup>st</sup> March 2020 there exists three vacancies i.e. two vacancies of Part-time Non-official (Independent) Director and one Part-time Official (Reserve Bank of India Representative) Director on the Board of SPMCIL. The matter of filling-up of the vacancies of Independent Director is under consideration of Department of Economic Affairs, Ministry of Finance, Government of India.

**(ii) Attendance of each Director at the Board Meetings held during 2019-20 and the last AGM**

| Director's Name                                                                                                                                       | No. of Board Meetings |          | Whether Attended Last AGM<br>(held on 6 <sup>th</sup> September 2019) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------|-----------------------------------------------------------------------|
|                                                                                                                                                       | Held                  | Attended |                                                                       |
| <b>(a) Executive Directors</b>                                                                                                                        |                       |          |                                                                       |
| Ms. Tripti P. Ghosh, Chairman & Managing Director (DIN : 08123112)                                                                                    | 6                     | 6        | Yes                                                                   |
| Shri Ajai Kumar Srivastav, Director (Technical) (DIN : 07571219)                                                                                      | 6                     | 6        | Yes                                                                   |
| Shri S.K. Sinha, Director (HR) (DIN : 07585095)                                                                                                       | 6                     | 6        | Yes                                                                   |
| Shri Ajay Agarwal, Director (Finance) (DIN : 06778079)                                                                                                | 6                     | 5        | Yes                                                                   |
| <b>(b) Part-time Official (Government Nominee) Directors</b>                                                                                          |                       |          |                                                                       |
| Ms. Meera Swarup, Additional Secretary & Financial Advisor, Ministry of Finance (DIN : 07459492)                                                      | 6                     | 5        | Yes                                                                   |
| Shri Prashant Goyal, Joint Secretary (C&C), Department of Economic Affairs, Ministry of Finance (upto 04.09.2019) (DIN : 08123752)                    | 3                     | 3        | *                                                                     |
| Dr. Kumar Vinay Pratap, Joint Secretary (C&C), Department of Economic Affairs, Ministry of Finance (w.e.f. 04.09.2019 to 13.11.2019) (DIN : 07606296) | 2                     | 1        | Yes                                                                   |
| Dr. Shashank Saksena, Sr. Economic Advisor (C&C), Department of Economic Affairs, Ministry of Finance (w.e.f. 14.11.2019) (DIN : 01792291)            | 1                     | 1        | *                                                                     |
| Shri S.C.L. Das, Joint Secretary (IS-I), Ministry of Home Affairs (upto 24.02.2020) (DIN : 02141779)                                                  | 6                     | 1        | No                                                                    |
| Ms. Punya Salila Srivastava, Additional Secretary (WS), Ministry of Home Affairs (w.e.f. 24.02.2020) (DIN : 06540888)                                 | -                     | -        | *                                                                     |



| Director's Name                                                                                                                                  | No. of Board Meetings |          | Whether Attended Last AGM<br>(held on 6 <sup>th</sup> September 2019) |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------|-----------------------------------------------------------------------|
|                                                                                                                                                  | Held                  | Attended |                                                                       |
| <b>(c) Part-time Official (End-User Representative) Directors</b>                                                                                |                       |          |                                                                       |
| Shri Arun K. Chatterjee, Addl. Secretary (PSP) & Chief Passport Officer, Ministry of External Affairs (DIN : 07532401)                           | 6                     | 6        | Yes                                                                   |
| Shri Ajay Michyari, Chief General Manager in-charge, Department of Currency Management, Reserve Bank of India (upto 13.03.2020) (DIN : 06430828) | 6                     | 4        | Yes                                                                   |
| Dr. Amarpreet Duggal, Dy. Director General (Philately), Department of Posts (DIN : 08207199)                                                     | 6                     | 4        | Yes                                                                   |
| <b>(d) Part-time Non-official (Independent) Directors</b>                                                                                        |                       |          |                                                                       |
| Shri P.J. Mathew, Independent Director (upto 15.02.2020) (DIN : 06431096)                                                                        | 6                     | 6        | Yes                                                                   |

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

**(iii) Details of Directorships, Committee Memberships and Committee Chairmanship in other companies as on 31<sup>st</sup> March 2020**

| Director's Name                                                                                                                           | Details of Directorships in other Companies                                                                | Details of Committee Memberships and Committee Chairmanship in other Companies* |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| Ms. Tripti P. Ghosh, Chairman & Managing Director (DIN : 08123112)                                                                        | Bank Note Paper Mill India Private Limited (BNPMIPL)                                                       | -Nil-                                                                           |
| Shri Ajai Kumar Srivastav, Director (Technical) (DIN : 07571219)                                                                          | Bank Note Paper Mill India Private Limited (BNPMIPL)                                                       | Member of Audit Committee and CSR Committee of BNPMIPL                          |
| Shri S.K. Sinha, Director (HR) (DIN : 07585095)                                                                                           | Bank Note Paper Mill India Private Limited (BNPMIPL)                                                       | Member of Audit Committee and CSR Committee of BNPMIPL                          |
| Shri Ajay Agarwal, Director (Finance) (DIN : 06778079)                                                                                    | -Nil-                                                                                                      | -Nil-                                                                           |
| Ms. Meera Swarup, Additional Secretary & Financial Advisor, Ministry of Finance (DIN : 07459492)                                          | <ul style="list-style-type: none"> <li>Goods and Services Tax Network (GSTN)</li> <li>IDBI Bank</li> </ul> | -Nil-                                                                           |
| Dr. Shashank Saksena, Sr. Economic Adviser (C&C), Department of Economic Affairs, Ministry of Finance (w.e.f 14.11.2019) (DIN : 01792291) | <ul style="list-style-type: none"> <li>IIBIL</li> <li>DICGC</li> <li>IBBI</li> </ul>                       | -Nil-                                                                           |
| Shri Arun K. Chatterjee, Addl. Secretary (PSP) & Chief Passport Officer, Ministry of External Affairs (DIN : 07532401)                    | -Nil-                                                                                                      | -Nil-                                                                           |
| Dr. Amarpreet Duggal, Dy. Director General (Philately), Department of Posts (DIN : 08207199)                                              | -Nil-                                                                                                      | -Nil-                                                                           |





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

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

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

The Company adheres to DPE guidelines and Secretarial Standard-1 for the meetings of the Board of Directors and its Committees. The meetings are convened by giving appropriate notice after obtaining approval of the Chairman of the Board/Committee. Meetings are governed by a structured agenda. In case of any exigency, resolutions are passed by circulation.

The meetings of the Board are normally held at the Company's Registered Office at New Delhi and are scheduled well in advance. The Company Secretary, in consultation with the Chairman & Managing Director, sends a written notice of each Board meeting to each Director. The members of the Board have access to all information of the Company and are free to recommend inclusion of any matter for discussion in agenda which is usually sent in advance. In case of need, the senior management is invited to attend the Board Meetings to provide additional inputs relating to the items being discussed and / or to give presentation to the Board. The Board meets at least once in a quarter to review the quarterly results and other items on the agenda. Additional meetings are held, when necessary. During the year under review, the Board met six times on the following dates:

- (i) 17<sup>th</sup> May 2019
- (ii) 19<sup>th</sup> June 2019
- (iii) 6<sup>th</sup> August 2019
- (iv) 6<sup>th</sup> September 2019
- (v) 11<sup>th</sup> November 2019
- (vi) 30<sup>th</sup> January 2020



#### **(v) Board's Responsibilities**

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

#### **(vi) Role of Independent Directors**

The Independent Directors play an important role in deliberations at the Board and Committee meetings. The Independent Directors are part of important Committees constituted by the Board such as Audit Committee, Remuneration Committee and CSR Committee. In terms of Companies Act, 2013, the Audit Committee and the Remuneration Committee are chaired by an Independent Director and function within their respective defined terms of references. A Risk Management Committee (RMC) has also been constituted in compliance of the provisions of Companies Act, 2013 and applicable DPE guidelines. The minutes of the Board Level Committee Meetings (Audit, Remuneration, CSR & RMC) are circulated and discussed in the Board Meetings.

#### **(vii) Information placed before the Board of Directors**

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

- Annual operating plans and budgets and any updates.
- Quarterly results for the company.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- Significant labour problems and their proposed solutions, any significant development in Human Resources / Industrial Relations front like signing of wage agreement etc.
- Action Taken Report on matters desired by the Board.
- Disclosure of Interest by Directors about directorships and Committee positions occupied by them in other companies.
- Information relating to major legal disputes.
- Any contract(s) in which Director(s) is deemed to be interested.



- Procurement proposals requiring Board's approval as per Procurement Manual of the Company.
- Significant Capital Investment proposals.
- Status of safety and legal compliance.
- Changes in significant accounting policies & practices and reasons for the same.
- Any other information as required under DPE guidelines and SS-1 etc., to be presented to the Board either for information or approval.

#### **(viii) Selection of New Directors**

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

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

#### **(ix) Code of Conduct**



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

- General Moral Imperatives;

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



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

## **2. BOARD LEVEL AUDIT COMMITTEE**

### **(i) Terms of Reference**

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

1. Discussion with Auditors periodically about internal control systems and the scope of audit including observations of the Auditors.
2. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
3. Ensuring Compliance of Internal Control Systems.
4. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
5. Noting appointment and removal of external auditors. Recommending the fixation of audit fee of external auditors and also approval for payment for any other services.
6. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement being part of the Board's report in terms



of clause I of sub-section (3) of Section 134(5) of the Companies Act, 2013;

- b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft audit report.
7. Reviewing, with the management, performance of statutory and internal auditors, the adequacy of internal control systems and suggestion for improvement of the same.
  8. Reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit.
  9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
  11. To review the follow up action on the audit observations of the C&AG audit.
  12. Investigation into any matter in relation to the items specified above or referred to it by the Board.
  13. To review the follow-up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
  14. Provide an open avenue of communication



between the independent auditors, internal auditors and the Board of Directors.

15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

The Audit Committee is chaired by an Independent Director. The member directors comprise of professionals of repute and standing with background in commerce, finance, administration and governance. The details of composition of the committee, number of meetings held and attended during the year 2019-20 are as follows:

| Name of the Director                                | Position    | No. of meetings held during their tenure | No. of meetings attended |
|-----------------------------------------------------|-------------|------------------------------------------|--------------------------|
| Shri P.J. Mathew (DIN : 06431096) (upto 15.02.2020) | Chairperson | 7                                        | 7                        |
| Shri Arun K. Chatterjee (DIN : 07532401)            | Member      | 7                                        | 7                        |

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

## **(iii) Meetings and Attendance**

During the year 2019-20, the Audit Committee met seven times on 16<sup>th</sup> May 2019, 3<sup>rd</sup> June 2019, 19<sup>th</sup> June 2019, 5<sup>th</sup> August 2019, 5<sup>th</sup> September 2019, 11<sup>th</sup> November 2019 and 29<sup>th</sup> January 2020. The details of attendance of each member are given in the above table.

## **3. REMUNERATION COMMITTEE**







### (i) Remuneration Policy

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

### (ii) Terms of Reference

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

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

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

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

The details of composition of the Committee, number of meetings held and attended during the year 2019-20 are as follows:

| Name of the Director                                      | Position | No. of meetings held during their tenure | No. of meetings attended |
|-----------------------------------------------------------|----------|------------------------------------------|--------------------------|
| Shri P.J. Mathew<br>(DIN : 06431096)<br>(upto 15.02.2020) | Member   | 1                                        | 1                        |
| Shri Arun K. Chatterjee<br>(DIN : 07532401)               | Member   | 1                                        | 1                        |

Company Secretary acts as Secretary to the Committee.

### (iv) Meetings and Attendance

During the year 2019-20, one meeting of Remuneration Committee was held on 22<sup>nd</sup> October 2019. The details of attendance of each member are given in the above table.

### (v) Details of remuneration of Functional Directors during the year 2019-20 are given below:-

| Name of the Director                                               | Total Remuneration (₹ in Lacs) |
|--------------------------------------------------------------------|--------------------------------|
| Ms. Tripti P. Ghosh, Chairman & Managing Director (DIN : 08123112) | 27.85                          |
| Shri Ajai Kumar Srivastav, Director (Technical) (DIN : 07571219)   | 54.81                          |
| Shri S.K. Sinha, Director (HR) (DIN : 07585095)                    | 68.72                          |
| Shri Ajay Agarwal, Director (Finance) (DIN : 06778079)             | 44.88                          |

### (vi) Details of payments made to Independent Directors during the year 2019-20 are given below:

| Name of the Independent Directors    | Sitting Fees   |                    | Total (₹) |
|--------------------------------------|----------------|--------------------|-----------|
|                                      | Board Meetings | Committee Meetings |           |
| Shri P.J. Mathew<br>(DIN : 06431096) | 6              | 15                 | 3,15,000  |

## 4. BOARD LEVEL COMMITTEE FOR CORPORATE SOCIAL RESPONSIBILITY



The company implements various social development projects under its Corporate Social



Responsibility (CSR).

### (i) Terms of Reference

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

- Formulation and recommendation to the Board of the Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- Recommendation of the projects, programs and amount of expenditure to be incurred on the activities referred to in clause (a);
- Monitoring the Corporate Social Responsibility activities of the company from time to time; and
- Ensuring compliance with guidelines on Corporate Social Responsibility and Sustainability issued by the Government of India from time to time.

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

The details of composition of CSR Committee, number of meetings held and attended during the year 2019-20 are as follows:

| Name of the Director                                      | Position    | No. of meetings held during their tenure | No. of meetings attended |
|-----------------------------------------------------------|-------------|------------------------------------------|--------------------------|
| Shri Arun K. Chatterjee<br>(DIN : 07532401)               | Chairperson | 6                                        | 6                        |
| Shri P.J. Mathew<br>(DIN : 06431096)<br>(upto 15.02.2020) | Member      | 5                                        | 5                        |
| Shri S.K. Sinha<br>(DIN : 07585095)                       | Member      | 6                                        | 6                        |

### (iii) Meetings and Attendance

The Committee met six times during the year on



3<sup>rd</sup> June 2019, 5<sup>th</sup> August 2019, 5<sup>th</sup> September 2019, 11<sup>th</sup> November 2019, 29<sup>th</sup> January 2020 and 30<sup>th</sup> March 2020. The details of attendance of each member are given in the above mentioned table.

## 5. RISK MANAGEMENT COMMITTEE



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

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

Two meetings of Risk Management Committee were held during the year 2019-20.



## 6. GENERAL MEETINGS

### (i) Location and time of last three AGMs:

| Financial Year                    | Location                                                          | Date                            | Time      |
|-----------------------------------|-------------------------------------------------------------------|---------------------------------|-----------|
| 2016-17<br>(12 <sup>th</sup> AGM) | 16 <sup>th</sup> Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi | 27 <sup>th</sup> September 2017 | 1:00 p.m. |
| 2017-18<br>(13 <sup>th</sup> AGM) | 16 <sup>th</sup> Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi | 31 <sup>st</sup> July 2018      | 1.30 p.m. |
| 2018-19<br>(14 <sup>th</sup> AGM) | 16 <sup>th</sup> Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi | 6 <sup>th</sup> September 2019  | 1.30 p.m. |

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

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

## 7. DISCLOSURES

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

The company has not entered into any materially significant related party transactions (RPTs) that may have potential conflict with the interests of the company at large. Nonetheless, transactions with related parties have been disclosed in the Notes to Accounts of the Financial Statements for the year ended 31<sup>st</sup> March 2020.

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

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

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

### (iii) Whistle Blower Policy

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

A copy of the Whistle Blower Policy has also been placed on the website of the Company [www.spmcil.com](http://www.spmcil.com) for wide publicity.

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

All mandatory requirements of the DPE Guidelines on Corporate Governance for CPSEs have been duly complied with by the company except those relating to required number of Independent Directors on the Board. No expenditure has been debited in books of accounts which is not for the purpose of business and no expenses incurred and accounted which are personal in nature and incurred for the Board of Directors and Top Management.

### (v) Presidential Directives

During the last three years i.e. 2017-18, 2018-19 & 2019-20, no Presidential Directive was received.

### (vi) Risk Management

In compliance with DPE guidelines on Corporate Governance for CPSEs, the Risk Management Policy of the Company has





been approved by the Board of Directors of the Company which ensures that the risks are being properly identified and effectively managed. A Risk Management Committee of the Board of Directors of the Company has also been constituted as per details given elsewhere in this report.

#### (vii) Certificate on Corporate Governance

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

### 8. GENERAL SHAREHOLDER INFORMATION

|      |                                                                                 |           |                                                                                |
|------|---------------------------------------------------------------------------------|-----------|--------------------------------------------------------------------------------|
| (i)  | <b>AGM</b>                                                                      |           |                                                                                |
|      | Date                                                                            | Time      | Venue                                                                          |
|      | 16 <sup>th</sup> December 2020                                                  | 2:30 p.m. | The Park, 15 Sansad Marg, Hanuman Road Area, Connaught Place, New Delhi-110001 |
| (ii) | <b>Financial Year</b> 1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020 |           |                                                                                |

#### (iii) Dividend History:

The details of dividend paid by SPMCIL are summarized as under:

| Year            | Total Amount of Dividend Paid (₹ in Crores) | Date on which dividend was declared |
|-----------------|---------------------------------------------|-------------------------------------|
| 2010-11 (Final) | 115.44                                      | 10 <sup>th</sup> August 2011        |
| 2011-12 (Final) | 116.49                                      | 30 <sup>th</sup> July 2012          |
| 2012-13 (Final) | 84.70                                       | 13 <sup>th</sup> November 2013      |
| 2013-14 (Final) | 42.93                                       | 11 <sup>th</sup> November 2014      |
| 2015-16 (Final) | 60.92                                       | 30 <sup>th</sup> September 2016     |
| 2016-17 (Final) | 227.64                                      | 27 <sup>th</sup> September 2017     |
| 2017-18 (Final) | 204.87                                      | 31 <sup>st</sup> July 2018          |
| 2018-19 (Final) | 218.48                                      | 6 <sup>th</sup> September 2019      |

**Date:** 16<sup>th</sup> December 2020

**Place:** New Delhi

#### (iv) Means of Communication:

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

#### (v) Plant Locations

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

It is hereby declared that all Board members and Senior Management personnel have affirmed compliance with SPMCIL's "Code of Business Conduct and Ethics" for the financial year 2019-20.

#### (vi) Dematerialisation of Shares:

Pursuant to notification dated 10<sup>th</sup> September 2018 of Ministry of Corporate Affairs, the equity shares of the Company have been dematerialized. The name and address of Registrar & Transfer Agent is Alankit Assignments Limited, 3E/7, Jhandewalan Extension, New Delhi-110055.

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

**(Tripti P. Ghosh)**

Chairman & Managing Director

DIN : 08123112



## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,

**The Members,  
Security Printing and Minting Corporation of India Limited  
16<sup>th</sup> Floor, Jawahar Vyapar Bhawan,  
Janpath, New Delhi – 110 001**

Dear Sir/Madam,

1. We have examined the compliance of conditions of Corporate Governance by Security Printing and Minting Corporation of India Limited (hereinafter referred as "the Company") for the year ended on 31<sup>st</sup> March 2020 as stipulated in 'Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010' ("the Guidelines") issued by the Department of Public Enterprises (DPE) of Ministry of Heavy Industries and Public Enterprises, Government of India.
2. The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our Examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in abovementioned guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our knowledge and information and according to the explanations given to us and based on the representations made by the directors and the Management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in the aforementioned guidelines subject to the following observation:

***As per section 149(4) of the Companies Act, 2013, the SPMCIL is required to appoint at least two Independent Directors on its Board. However, during our Audit it was observed that, the Company had appointed only 1 Independent Director on its Board i.e. Mr. P. J. Mathew.***

***Further, the term of Mr. P. J. Mathew had also been expired from the post of Independent Director w.e.f. 15<sup>th</sup> February 2020.***

***Thus, there are no Independent Director on the board of the company w.e.f. 15<sup>th</sup> February 2020.***

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

**For J.K. Gupta & Associates**

**Sd/-**

**Jitesh Gupta**

FCS No. 3978

C P No.: 2448

**Place:** Delhi

**Date:** 11.08.2020



**ANNEXURE-X**

**FORM NO. AOC.2**

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

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

1. Details of contracts or arrangements or transactions not at arm's length basis
  - (a) Name(s) of the related party and nature of relationship: **N.A.**
  - (b) Nature of contracts/arrangements/transactions: **N.A.**
  - (c) Duration of the contracts/arrangements/transactions: **N.A.**
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
  - (e) Justification for entering into such contracts or arrangements or transactions: **N.A.**
  - (f) Date of approval by the Board: **N.A.**
  - (g) Amount paid as advances, if any: **N.A.**
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **N.A.**
2. Details of material contracts or arrangement or transactions at arm's length basis
  - (a) Name(s) of the related party and nature of relationship: **Bank Note Paper Mill India Private Limited (BNPMIPL), Joint Venture Company.**
  - (b) Nature of contracts/arrangements/transactions: **Purchase of CWBN Security Paper**
  - (c) Duration of the contracts/arrangements/transactions: **01.04.2019 to 31.03.2020**
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Purchase of CWBN Security Paper in accordance with the terms and conditions of Joint Venture cum Shareholders Agreement for the aggregate amount of ₹234.40 crores in the year 2019-20.**
  - (e) Date(s) of approval by the Board, if any: **N.A.**
  - (f) Amount paid as advances, if any: **N.A.**

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

**(Tripti P. Ghosh)**

Chairman & Managing Director  
DIN : 08123112

**Date:** 16<sup>th</sup> December 2020

**Place:** New Delhi



# Standalone Financial Statement 2019-20





## INDEPENDENT AUDITOR'S REPORT

To,

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

### **Report on the Audit of Standalone Ind AS Financial Statements**

#### **Qualified Opinion**

We have audited the accompanying standalone Ind AS Financial Statements of **Security Printing & Minting Corporation of India Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date audited by the branch auditors of the company's Units located at Mumbai, Kolkata, Hyderabad, Dewas, Nashik, Hoshangabad and Noida.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India (including the Ind AS), of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, the changes in equity and its cash flow for the year ended on that date.

#### **Basis for Qualified Opinion**

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

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

#### **EMPHASIS OF MATTERS**

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

#### **Information Other than the Financial Statements and Auditors Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and the Annexures to the Board's Report, Report on Corporate Governance and General Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the



other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and those charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of "the Act" with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of "the Act" read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of "the Act" for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the

Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

### **Other Matters**

- (a) We did not audit the financial statements/ information of 8 branches/ units included in the standalone financial statements of the Company whose financial statements/ financial information reflect total assets of ₹4,74,564.80 lakh as at 31<sup>st</sup> March 2020 and total revenue of ₹4,69,003.67 lakh for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us,





and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors. We cannot comment on such figures as the same are audited by other auditors.

### **(b) India Government Mint, Kolkata**

- (i) A substantial amount appears under EMD Vendors as Credit Balance since 2012. Based on the documentary evidence produced to us, we have observed that in case of one party, a writ petition (No.17609 (W)) of 2012 was filed before the Hon'ble High Court, Calcutta by the concerned party is pending. Accordingly, the matter being sub judice, the unit of SPMCIL has to carry forward the balance in the books of accounts pending final judgement;
- (ii) There are some employee advances (LTC and Tour) which lies unadjusted for more than three years. Amongst such employees, some have already retired and some bills are under preliminary inquiry. The cases which are under inquiry, management should take appropriate decision for early completion of inquiry for settlement of those advances. In remaining cases, appropriate decision should be taken for recovery/settlement in case of working employees or adjustment in case of retired employees;

Our opinion is not modified in respect of these matters.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of "the Act", we give in the "**Annexure-IV**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of Sub Section (5) of section 143 of "the Act", we give in the "**Annexure-VI**" a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by section 143(3) of "the Act", we report that:
  - a) We have sought and, except for the effects/possible effects of matters described in the "Basis for qualified opinion" paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) Except for the effects/possible effects of matters described in the "Basis for qualified opinion" paragraph, in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
  - c) The reports on the accounts of the branch offices/units of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
  - d) The Balance Sheet, the statement of Profit and Loss, the statement of changes in equity and its cash flow statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us;
  - e) In our opinion, except for the effects/possible effects of the matters described in the "Basis for qualified opinion" paragraph, the aforesaid standalone Ind



AS financial statements comply with the Indian Accounting Standards specified under Section 133 of "the Act", read with Rule 7 of the Companies (Accounts) Rules, 2014;

- f) As per notification No. GSR 463(E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 164(2) of the Companies Act, 2013 is not applicable to the Company;
- g) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure-V**". Our report expresses a qualified opinion on the adequacy and on the operating effectiveness of the Company's internal financial control over financial reporting.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of "the Act", as amended, as per notification No. GSR 463(E) dated

5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Companies Act, 2013 is not applicable to the Government Companies.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The company has disclosed the impact of pending litigations on its standalone Ind AS financial position in its financial statements – Refer Note 25 to the financial statements;
  - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

**For Ashwani & Associates**

Chartered Accountants  
FRN : 000497N

**Sd/-**

**(Sanjeeva Narayan)**

Partner

M. No. : 084205

UDIN : 20084205AAAALE6388

Place : New Delhi  
Dated : 20.08.2020



**ANNEXURE TO THE AUDITORS REPORT TO THE MEMBERS OF SECURITY PRINTING  
AND MINTING CORPORATION OF INDIA LIMITED AS AT 31<sup>ST</sup> MARCH 2020**

**BASIS OF QUALIFIED OPINION**

**1. Corporate Office, Delhi**

According to Section 149, of Companies Act, 2013, the company must have a minimum of two Independent Directors. However, according to the information and explanations given to us, the company had only one independent director from April 1, 2019 to February 15, 2020 and no independent director thereafter thereby contravening the provisions of Section 149 of the Companies Act 2013.





## **ANNEXURE TO THE AUDITORS REPORT TO THE MEMBERS OF SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED AS AT 31<sup>ST</sup> MARCH 2020**

### **EMPHASIS OF MATTER**

We draw your attention to:-

- (a) Note 37 to the financial statements which states that balances of Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmations / reconciliation and consequent adjustment, if any, with respective parties.
- (b) Note 41 to the financial statements regarding events occurring after the Balance sheet date relating to fixation of Fair Selling Price (FSP) of Circulation coins for the financial year 2016-17 and 2017-18 and Postal Stationery for the financial year 2015-16, 2016-17 and 2017-18.
- (c) Note 46 to the financial statements regarding changes in the accounting policies for Revenue recognition for Bank Notes and defining materiality in relation to income/ expenditure relating to Prior period.
- (d) Note 49 regarding an amount of ₹17,975.76 lakhs was lying in "Funds from Govt of India (adjustable) account as at April 1, 2019, which was pending for settlement with Ministry of Finance against which the Company has, without intimating the Ministry of Finance adjusted amounts aggregating to ₹2,121.71 lakhs comprised of ₹369.50 lakhs and ₹901.97 lakhs respectively towards opening balances and interest amount recoverable from PAO at the time of Corporatisation in respect of pro-rata optee employees and un-reconciled debtors of ₹850.24 lakhs leaving a balance of ₹15,854.05 lakhs in the said account.
- (e) Note 51 to the financial statements which explains the management's assessment of the financial impact due to the lockdowns and other restrictions and conditions related to the COVID 19 pandemic situation. However, definite assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.



## **ANNEXURE TO THE AUDITORS REPORT TO THE MEMBERS OF SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED AS AT 31<sup>ST</sup> MARCH 2020**

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim condensed standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## **ANNEXURE TO THE AUDITORS REPORT TO THE MEMBERS OF SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED AS AT 31<sup>ST</sup> MARCH 2020**

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

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets, except as stated below:-

**(i) India Security Press (ISP), Nashik**

In many cases the complete details are not appearing in the Fixed Asset Register, as stated below:

- 1) In many cases, in the Fixed Asset Register the quantity of fixed assets is appearing as "1" instead of actual quantity.
- 2) The sufficient / technical description of the asset is not available in many cases to make identification possible.
- 3) In few cases, the classification of the similar nature of asset is done in multiple account heads. (Eg- Printers shown under Computers, electrical equipment, plant and machinery and office equipment). It is worthwhile to note that Asset value in respect of those assets have already being depreciated and are carried at residual value.
- 4) Financial and quantitative reconciliation of Land as per Land Records and as per Books / Fixed Asset register not done.

- (b) The Company has a regular programme of physical verification of the fixed assets, and, no material discrepancies were noticed on such verification. However, in following cases, physical verification could not be carried out due to restrictions imposed under COVID 19:-

**(i) Currency Note Press (CNP), Nashik.**

Physical verification of Fixed Asset has not been done by unit auditor on 31.03.2020 due to pandemic situation of Covid-19. Fixed asset verification is done by Committee constituted by Unit. We have relied on the report submitted by management. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

**(ii) Security Printing Press (SPP), Hyderabad**

Physical Verification of fixed assets will be conducted by the management once in three years as per corporate guideline. Fixed Assets Verification has not been done as on March 31, 2020 due to pandemic situation of COVID -19.

- (c) The company has all the original title deeds of immovable properties in its own name, except for the list enclosed in **Appendix-IV(a).**

2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable, and, the discrepancies noticed





on physical verification of inventory were not material, except in following cases:-

- (a) In the case of Currency Note Press, Nashik, physical verification of Inventory has not been done by unit auditor on 31.03.2020 due to pandemic situation of Covid-19. Inventory verification is done by Committee constituted by Unit. We have relied on the report submitted by management.
  - (b) In the case of Security Printing Press (SPP), Hyderabad, Physical verification has not been done on March 31, 2020 due to pandemic situation of COVID-19. However, the unit has verified stocks held as on March 31, 2020 after resumption of business operations.
3. The company has not granted, during the year, any loans, secured or unsecured, to Companies, firms, limited liability partnerships (LLP) or other parties covered in the register maintained under Section 189 of "the Act".
  4. In our opinion and to the best of our information and according to the explanations given to us, the company has not given any loans, made any investments and provided any securities or guarantee. Accordingly, the provision of sec 185 and 186 of Companies Act, 2013 are not applicable.
  5. The company has not accepted any deposits from the Public. Therefore, the provisions of Clause 3(v) of the order are not applicable to the company.
  6. In our opinion and according to the information and explanations given to us, specified accounts and records as prescribed by the Central Government in terms of sub-section



(1) of section 148 of "the Act" have been prima facie made and maintained by the company. However, we have neither carried out, nor are we required to carry out any detailed examination of such accounts and records.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) According to the records of the company, no undisputed amount payable in respect of statutory dues including provident fund, employees' state insurance, income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable, except for the cases indicated in **Appendix-IV(b)**.
  - (c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, service tax, value added tax, customs duty and excise duty which have not been deposited on account of a dispute, except for the cases indicated in **Appendix-IV(c)**.
8. As per information and explanation given to us, the company has neither taken any loans or borrowing from a financial institution, government, bank nor it has issued any



debentures. Therefore, the provisions of clause 3(viii) are not applicable to the company and accordingly the company has not defaulted in any such repayment.

9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable to the Company.
10. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have, neither, come across any instance of fraud by the company, or, any fraud on the company by its officers or employees, noticed or reported during the year, nor, have we been informed of such case by the management. To be reviewed from list of vigilance cases.
11. In our opinion and according to the information and explanation given to us by the management, as per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Companies Act, 2013 is not applicable to the Government Companies. Accordingly,

paragraph 3(xi) of the Order is not applicable to the Company.

12. The company is not a Nidhi Company. Therefore, the provision of clause 3(xii) are not applicable to the Company.
13. In our opinion and according to the information and explanation given to us the transactions with the related parties are in compliance with section 177 of "the Act". The details have been disclosed in financial statement. The detail of transactions entered with the Related parties are also provided in Notes to Accounts- (Note 34).
14. According to the records of the company examined by us, the Company has not made any preferential allotment of shares during the year.
15. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors, or, persons connected with them.
16. In our opinion, and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Ashwani & Associates**

Chartered Accountants

FRN : 000497N

**Sd/-**

**(Sanjeeva Narayan)**

Partner

M. No. : 084205

UDIN : 20084205AAAALE6388

Place : New Delhi  
Dated : 20.08.2020



## Appendix-IV(a)

### Refer Clause 1(c) of the report issued under the Companies (Auditor's Report) Order 2016 report of even date to the members of Security Printing and Minting Corporation of India Ltd. for the year ended 31<sup>st</sup> March 2020

#### a) Corporate Office, New Delhi

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

#### b) India Government Mint, Noida

The following immovable properties have not yet been transferred in the name of the company.  
Sector-27, Noida, U.P-201301.

#### c) Security Paper Mill, Hoshangabad

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

#### d) India Government Mint, Mumbai

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

(i) CS No. 399, Tardeo, Mumbai, Maharashtra.

#### e) India Government Mint, Hyderabad

| Sl. No. | Immovable Property | Location                                        | Area (in acres) | Gross book Value as at 31 <sup>st</sup> March 2020 (₹) | Net book value as at 31 <sup>st</sup> March 2020 (₹) | Remarks                                                 |
|---------|--------------------|-------------------------------------------------|-----------------|--------------------------------------------------------|------------------------------------------------------|---------------------------------------------------------|
| 1.      | Land               | IDA Phase II, Cherlapally, Hyderabad, Telangana | 78.82           | 343.79 Lakh                                            | 343.79 Lakh                                          | Property is held in the name of the President of India. |

#### f) India Government Mint, Kolkata

The title deeds, comprising leasehold land and factory building of India Government Mint, Kolkata, are held in the name of President of India and not in the name of SPMCIL.

#### g) India Security Press, Nashik

Though the 7/12 extract in the name of Security Printing and Minting Corporation of India Ltd is available but the title deeds of the immovable properties are not found on record. In the absence of complete financial and quantitative reconciliation, we are unable to verify whether 7/12 extract and books of accounts covers all the lands belonging to the Company.





**Refer Clause 7(b) of the report of even date issued under the Companies (Auditors Report) Order 2016 to the members of Security Printing and Minting Corporation of India Ltd. for the year ended 31<sup>st</sup> March 2020**

**a) India Government Mint, Noida**

| Sl. No. | Nature of Statute | Nature of Dues | Amount (₹ in lakh) | Period to which amount relates |
|---------|-------------------|----------------|--------------------|--------------------------------|
| 1.      | UP VAT Act, 2008  | Sales Tax      | 387.37             | 2014-15                        |
| 2.      | UP VAT Act, 2008  | Sales Tax      | 347.79             | 2015-16                        |
| 3.      | UP VAT Act, 2008  | Sales Tax      | 309.80             | 2016-17                        |
| 4.      | UP VAT Act, 2008  | Sales Tax      | 5.90               | 2017-18                        |
|         | <b>Total</b>      |                | <b>1050.86</b>     |                                |

**b) SPMCIL, Corporate Office**

| Sl. No. | Nature of Statute | Nature of Dues         | Amount (₹ in Lakh) | Period to which amount relates (F.Y.) |
|---------|-------------------|------------------------|--------------------|---------------------------------------|
| 1.      | Income Tax Act    | Tax Deducted at Source | 1.75               | 2019-20                               |
| 2.      | Income Tax Act    | Tax Deducted at Source | 1.05               | 2018-19                               |
| 3.      | Income Tax Act    | Tax Deducted at Source | 0.65               | 2016-17                               |
| 4.      | Income Tax Act    | Tax Deducted at Source | 0.61               | Prior Years                           |
|         | <b>Total</b>      |                        | <b>4.06</b>        |                                       |



## Appendix-IV(c)

**Refer Clause 7(c) of the report issued under the Companies (Auditor's Report) Order 2016 report of even date to the members of Security Printing and Minting Corporation of India Ltd. for the year ended 31<sup>st</sup> March 2020**

### a) Corporate Office

| Sl. No. | Nature of Dues | Periods to which the amount relates | Forum where Dispute is Pending       | Amount under Dispute (₹ in lakh) |
|---------|----------------|-------------------------------------|--------------------------------------|----------------------------------|
| 1.      | Income Tax Act | 2017-18                             | Commissioner of Income Tax (Appeals) | 19,722.60                        |

### b) India Security Press, Nashik

| Sl. No.      | Nature of Dues                                  | Periods to which the amount relates                                                              | Forum where Dispute is Pending               | Amount under Dispute (₹ in lakh) |
|--------------|-------------------------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| 1.           | Bombay / Central Sales Tax                      | 1975-76 to 2004-05 (excluding period covered under forum Maharashtra Sales Tax Tribunal, Mumbai) | High Court, Mumbai                           | 7,717.38                         |
| 2.           | Bombay / Central Sales Tax                      | 1990-91, 1991-92, 1992-93, 1994-95, 1998-99, 1999-2000, 2000-01, 2001-02                         | Maharashtra Sales Tax Tribunal, Mumbai       | 1,494.34                         |
| 3.           | Maharashtra Value Added Tax / Central Sales Tax | 01.04.2005-09.02.2006                                                                            | Maharashtra Sales Tax Tribunal, Mumbai       | 766.13                           |
| 4.           | Maharashtra Value Added Tax / Central Sales Tax | 10.02.2006-31.03.2006                                                                            | High Court, Mumbai                           | 756.68                           |
| 5.           | Maharashtra Value Added Tax / Central Sales Tax | 2006-07 to 2010-11                                                                               | High Court, Mumbai                           | 23,830.99                        |
| 6.           | Maharashtra Value Added Tax / Central Sales Tax | 2011-12 to 2013-14                                                                               | Maharashtra Sales Tax Tribunal, Mumbai       | 16,861.53                        |
| 7.           | Maharashtra Value Added Tax / Central Sales Tax | 2014-15                                                                                          | First Appeal, Commissioner Sales Tax, Nashik | 7,915.44                         |
| 8.           | Maharashtra Value Added Tax / Central Sales Tax | 2015-16 to 01.04.2017-30.06.2017                                                                 | Under Assessment                             | 9,072.81                         |
| 9.           | Non-Agricultural Tax                            | Upto 31.03.2020                                                                                  | Maharashtra Revenue Department               | 310.34                           |
| 10.          | Property Tax                                    | Upto 31.03.2020                                                                                  | High Court, Mumbai                           | 99.67                            |
| <b>Total</b> |                                                 |                                                                                                  |                                              | <b>68,825.31</b>                 |



**c) Security Paper Mill, Hoshangabad**

| Sl. No. | Nature of Dues         | Year                                                                                                | Forum where Dispute is Pending               | Amount (₹ in lakh) |
|---------|------------------------|-----------------------------------------------------------------------------------------------------|----------------------------------------------|--------------------|
| 1.      | VAT, CST and Entry Tax | 2006-07, 2007-08, 2008-09, 2014-15 & 2015-16                                                        | Addl. Commissioner, Commercial Tax, Bhopal   | 2,321.06           |
| 2.      | VAT, CST and Entry Tax | 2006-07, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, & 2017-18 | MP Commercial Tax Appellate Tribunal, Bhopal | 2,414.23           |
| 3.      | Entry Tax              | 2010-11, 2011-12 & 2012-13                                                                          | Hon'ble High Court, Jabalpur                 | 892.88             |

**d) Bank Note Press, Dewas**

| Sl. No. | Nature of Dues     | Period to which amount relates | Forum where Dispute is Pending | Amount (₹ in lakh)        |
|---------|--------------------|--------------------------------|--------------------------------|---------------------------|
| 1.      | MPCST<br>CST<br>ET | 2005-06                        | Supreme Court of India         | 128.58<br>548.62<br>64.42 |
| 2.      | VAT<br>CST<br>ET   | 2006-07                        | Supreme Court of India         | 0.64<br>4.26<br>231.71    |
| 3.      | CST<br>ET          | 2007-08                        | Supreme Court of India         | 5.08<br>211.08            |
| 4.      | VAT<br>CST<br>ET   | 2009-10                        | Supreme Court of India         | 0.57<br>13.08<br>449.26   |
| 5.      | VAT<br>CST<br>ET   | 2010-11                        | Supreme Court of India         | 0.14<br>21.60<br>364.08   |
| 6.      | VAT<br>CST<br>ET   | 2011-12                        | Supreme Court of India         | 1.07<br>2.24<br>378.78    |
| 7.      | VAT<br>CST<br>ET   | 2012-13                        | Supreme Court of India         | 0.39<br>34.74<br>443.63   |
| 8.      | VAT<br>CST<br>ET   | 2013-14                        | Supreme Court of India         | 1.52<br>0.93<br>551.35    |
| 9.      | ET                 | 2015-16                        | Supreme Court of India         | 773.89                    |
| 10.     | Commercial tax     | 2017-18                        | Supreme Court of India         | 1,666.58                  |





**e) India Government Mint, Kolkata**

| Sl. No. | Nature of Dues | Period to which amount relates | Forum where Dispute is Pending                               | Amount (₹ in lakh) |
|---------|----------------|--------------------------------|--------------------------------------------------------------|--------------------|
| 1.      | CST            | 1998-99                        | West Bengal Commercial Taxes, Appellate and Revisional Board | 0.85               |
| 2.      | CST            | 2004-05                        | West Bengal Commercial Taxes, Appellate and Revisional Board | 2.41               |
| 3.      | VAT            | 2006-07                        | West Bengal Commercial Taxes, Appellate and Revisional Board | 424.48             |
| 4.      | VAT            | 2007-08                        | West Bengal Commercial Taxes, Appellate and Revisional Board | 1,673.40           |
| 5.      | CST            | 2007-08                        | West Bengal Commercial Taxes, Appellate and Revisional Board | 58.84              |
| 6.      | VAT/CST        | 2005-06 to 2009-10             | West Bengal Commercial Taxes, Appellate and Revisional Board | 16.79              |
| 7.      | CST            | 2011-12                        | Sr JC Sales Tax                                              | 31.61              |
| 8.      | VAT            | 2011-12                        | Sr JC Sales Tax                                              | 437.02             |
| 9.      | CST            | 2011-12                        | Sr JC Sales Tax                                              | 467.97             |
| 10.     | CST            | 2012-13                        | Commercial Tax Officer - Alipore Charge                      | 1,726.35           |
| 11.     | CST            | 2013-14                        | Commercial Tax Officer - Alipore Charge                      | 415.82             |
| 12.     | CST            | 2014-15                        | Joint Commissioner Commercial tax                            | 198.66             |
| 13.     | CST            | 2015-16                        | Commercial Tax Officer                                       | 0.73               |
| 14.     | Excise         | April 2013 to December 2013    | Customs Excise Service Tax Appellate Tribunal                | 8.14               |
| 15.     | Excise         | Jan 2014 to Sep 2014           | Customs Excise Service Tax Appellate                         | 17.94              |
| 16.     | Entry Tax      | 2013-14                        | Kolkata High Court                                           | 349.45             |
| 17.     | Entry Tax      | 2014-15                        | Kolkata High Court                                           | 278.05             |
| 18.     | Entry Tax      | 01.04.2015 to 31.03.2016       | Kolkata High Court                                           | 420.34             |
| 19.     | Entry Tax      | 2016-17                        | Kolkata High Court                                           | 686.76             |
| 20.     | Entry Tax      | April 2017 to June 2017        | Kolkata High Court                                           | 233.28             |



**f) India Government Mint, Mumbai**

| Sl. No. | Nature of Dues | Period to which amount relates | Forum where Dispute is Pending               | Amount (₹ in lakh) |
|---------|----------------|--------------------------------|----------------------------------------------|--------------------|
| 1.      | CST            | 2010-11                        | Jt. Commissioner of Sales Tax Appeal, Mumbai | 21.42              |
| 2.      | CST            | 2011-12                        | Tribunal of Sales Tax Appeal, Mumbai         | 184.95             |
| 3.      | CST            | 2012-13                        | Jt. Commissioner of Sales Tax Appeal, Mumbai | 1,437.40           |
| 4.      | CST            | 2013-14                        | Jt. Commissioner of Sales Tax Appeal, Mumbai | 23.44              |
| 5.      | CST            | 2014-15                        | Jt. Commissioner of Sales Tax Appeal, Mumbai | 7.94               |



## **ANNEXURE TO THE AUDITORS REPORT TO THE MEMBERS OF SECURITY PRINTING & MINTING CORPORATION OF INDIA LIMITED AS AT 31<sup>ST</sup> MARCH 2020**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Security Printing & Minting Corporation of India Limited** ("the company") as of March 31, 2020, in conjunction with our audit of the standalone Ind AS financial statements of the company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under "the Act".

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on

Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of "the Act", to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

### **Meaning of Internal Financial Controls Over**





### **Financial Reporting with reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to

these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We did not audit the internal financial controls over financial reporting of 8 branches/ units included in the standalone internal financial controls over financial reporting of the Company for the year ended as on 31st March 2020. The internal financial controls over financial reporting of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors. We cannot comment on such reports as the same are audited by other auditors. Our opinion is not qualified in respect of this matter.

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2020:

#### **1. Corporate Office**

- (i) Biometric not linked with SAP-ERP for payroll processing.
- (ii) No prescribed chart of accounts in the organizations which describe posting of expenditure as per their nature in their respective ledger.

#### **2. Bank Note Press, Dewas**

- (a) Management has installed Biometric Attendance Management System during the year 2018-19 to record the attendance bio-metrically into SAP. However, it is observed that attendance and overtime working was not accounted automatically



under SAP during the year as Biometric Attendance System was not integrated with SAP during the year.

- (b) Finance Module of the ERP software does not provide the Agewise analysis of Sundry Debtors, Creditors, various advances at any time during the year and same has been prepared manually.

### 3. India Government Mint, Kolkata

- (a) The inventory valuation (including FG, SFG and scrap) has been carried out manually and integrated in SAP through manual entries.
- (b) The Biometric attendance management system has been installed to record the attendance biometrically into SAP. However, the attendance is manually recorded in SAP in absence of proper synchronization of SAP and biometric device.

### 4. Currency Note Press, Nashik

Management has installed Biometric Attendance Management System to record the attendance bio-metrically into SAP. However it is observed that attendance and overtime working was not accounted automatically under SAP and was processed manually. To that extent, the unit did not have effective internal control in HR module of SAP.

### 5. India Government Mint, Hyderabad

The following improvements are suggested to enhance the current control mechanism:

- (a) Introduction of dual control/authentication mechanism for addition and updation of employee master data;
- (b) Leave management system is implemented and integrated with SAP for all classes of employees including workmen. It is advised to map for salary/wages processing.

### 6. India Security Press, Nashik

The following risk in internal financial controls are identified:

- (a) Back dated entries are allowed in their SAP-ERP system for posting of any entries for the last quarter, leading into lose internal control over the period financial information;
- (b) SAP-ERP system allows the users to assign useful life of the asset different from the Useful Life as per the accounting policies without any dual check system / authorisation, which may lead to wrong calculation of depreciation / amortisation of property, plant and equipment and intangible assets;
- (c) The unit have not integrated the biometric system with Payroll module of SAP-ERP system. Management installed Biometric Attendance Management System to record the attendance bio-metrically into SAP. However, it is observed that attendance and overtime working was not accounted automatically under SAP and was processed manually, which may lead to excess payment of salary and overtime allowances due to manual intervention;
- (d) The unit did not have any system of review of overdue / outstanding sales / purchase orders which are not yet executed since long, due to which many sales order are still pending / outstanding since long.

Eg.-1) Total 690 Sales orders worth ₹145 Crores are not executed since long, as old as 2012 including 173 pending Sales orders of ₹116 Crores relates to FY 2018-19.

2) Total 786 Purchase orders worth ₹39.15 Crores are not execute old as 2016 including 428 pending Purchase orders of ₹7.23 Crores relates to FY 2018-19;



- (e) The unit has not done knocking of recovery of ₹359 Crores received from debtors against respective invoice, due to which the correct ageing of debtors could not be worked out. Due to this despite recovery in odd amount, the overdue of more than 3 years for the purposes of provision for Bad & Doubtful as per the Accounting Policy is worked out mainly on First In First Out (FIFO) Basis;
- (f) Despite long overdue outstanding trade receivables lying since decades, as old as 1971 & onwards, specially related to Postal Department the unit did not have any system of joint reconciliation with major customers. This leads to loose internal control over the identification and recovery of the old outstanding / overdue trade receivables;
- (g) Age-wise report of Inventory is not generated from Material Management module of SAP-ERP System and the identification and valuation at lower of cost or Net realisable value (NRV) for non-moving inventory (not moved

for 3-5 years) is worked out manually, leading to loose internal control over the identification and disposal of obsolete / non-moving inventory.

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

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Unit has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Ashwani & Associates**

Chartered Accountants

FRN : 000497N

Sd/-

**(Sanjeeva Narayan)**

Partner

M. No. : 084205

UDIN : 20084205AAAALE6388

Place : New Delhi  
Dated : 20.08.2020





**Statement on the Directions/Sub-Directions issued by the Comptroller & Auditor General of India under sub-section 5 of section 143 of the Companies Act, 2013, examined by the Statutory Auditors during the course of audit of annual accounts of Security Printing & Minting Corporation of India Limited for the year ending 31<sup>st</sup> March 2020**

**Compliance Certificate**

We have conducted the audit of the accounts of Security Printing and Minting Corporation Of India Limited for the year ended March 31<sup>st</sup>, 2020 in accordance with the directions/sub-directors issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us. Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of the company is as per **Annexure-VI(a)**.

We did not audit the accounts of 8 branches/ units included in the standalone financial statements/ information of the company for the year ended as on 31<sup>st</sup> March 2020 and have relied upon the reports of the respective Auditors whose reports have been furnished to us.

**For Ashwani & Associates**

Chartered Accountants

FRN : 000497N

**Sd/-**

**(Sanjeeva Narayan)**

Partner

M. No.: 084205

UDIN : 20084205AAAALE6388

Place : New Delhi  
Dated : 20.08.2020



**ANNEXURE-VI(a)**

**Statement on the Directions/ Sub Directions issued by the Comptroller & Auditor General of India under section 143(5) of the Companies Act, 2013, examined by the Statutory Auditors during the course of audit of annual accounts of Security Printing and Minting Corporation of India Limited for the year ending 31<sup>st</sup> March 2020**

| Sl. No. | Particulars                                                                                                                                                                                                                                                                    | Auditor's Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Where the Company has system in place to process all the accounting transaction through IT? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financials implication, if any, may be stated. | <p>As per the information and explanation provided to us, the Company has a system in place to process all the accounting transactions through IT system except for the following observations:-</p> <ol style="list-style-type: none"> <li><b>1. Corporate Office</b> <ol style="list-style-type: none"> <li>(a) Biometric not linked with SAP-ERP for payroll processing.</li> </ol> </li> <li><b>2. BNP, Dewas</b> <ol style="list-style-type: none"> <li>(a) Management has installed Biometric Attendance Management System during the year 2018-19 to record the attendance bio-metrically into SAP. However, it is observed that attendance and overtime working was not accounted automatically under SAP during the year as Biometric Attendance System was not integrated with SAP during the year.</li> <li>(b) Finance Module of the ERP software not provided the Agewise analysis of Sundry Debtors, Creditors, various advances at any time during the year and same has been prepared manually.</li> </ol> </li> <li><b>3. IGM, Kolkata</b> <ol style="list-style-type: none"> <li>a) The inventory valuation (including Finished Goods, Semi-Finished Goods and Scrap) has been carried out manually and integrated in SAP through manual entries.</li> <li>(b) The Biometric attendance management system has been installed to record the attendance biometrically into SAP. However, the attendance is manually recorded in SAP in absence of proper synchronization of SAP and biometric device.<br/><br/>The financial implications of the above disclosures cannot be quantified.</li> </ol> </li> <li><b>4. CNP, Nashik</b><br/><br/>Management installed Biometric Attendance Management System to record the attendance bio-metrically into SAP. However it is observed that attendance and overtime working was not accounted automatically under SAP and was processed manually. To that extent, the unit did not have effective internal control in HR module of SAP.</li> <li><b>5. IGM, Hyderabad</b><br/><br/>Leave management system is implemented and integrated with SAP for all classes of employees including workmen. It is advised to map for salary/ wages processing.</li> </ol> |



| Sl. No. | Particulars                                                                                                                                                                                                                                    | Auditor's Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |                                                                                                                                                                                                                                                | <p><b>6. ISP, Nashik</b></p> <p>(a) The unit have not integrated the biometric system with Payroll module of SAP-ERP system. Management installed Biometric Attendance Management System to record the attendance bio-metrically into SAP. However, it is observed that attendance and overtime working was not accounted automatically under SAP and was processed manually, which may lead to excess payment of salary and overtime allowances due to manual intervention;</p> <p>(b) Age-wise report of Inventory is not generated from Material Management module of SAP-ERP System and the identification and valuation at lower of cost or Net realisable value (NRV) for non-moving inventory (not moved for 3-5 years) is worked out manually, leading to loose internal control over the identification and disposal of obsolete / non-moving inventory.</p> |
| 2.      | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. | The Company has not availed any loan during the year. Therefore, financial impact of restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan is not applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 3       | Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its item and conditions? List the cases of deviation.                                                          | The Company does not have any funds which have been received or are receivable for specific schemes from Central/ State agencies.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

**For Ashwani & Associates**

Chartered Accountants

FRN : 000497N

**Sd/-**

**(Sanjeeva Narayan)**

Partner

M. No.: 084205

UDIN : 20084205AAAALE6388

Place : New Delhi  
Dated : 20.08.2020





## SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

### Balance Sheet as at 31<sup>st</sup> March 2020

(Amount in ₹ lakhs)

| Sl. No.    | Particulars                                                         | Note No.  | Figures as at 31 <sup>st</sup> March 2020 | Figures as at 31 <sup>st</sup> March 2019 |
|------------|---------------------------------------------------------------------|-----------|-------------------------------------------|-------------------------------------------|
| <b>I.</b>  | <b>ASSETS</b>                                                       |           |                                           |                                           |
| <b>(1)</b> | <b>Non-current assets</b>                                           |           |                                           |                                           |
|            | (A) Property, Plant and Equipment                                   | 3         | 1,28,233.02                               | 1,32,623.54                               |
|            | (B) Capital Work-in-Progress                                        | 3         | 7,605.70                                  | 1,178.86                                  |
|            | (C) Other Intangible Assets                                         | 4         | 150.45                                    | 141.81                                    |
|            | (D) Financial Assets                                                |           |                                           |                                           |
|            | (i) Investments                                                     | 5 (i)     | 40,000.00                                 | 40,000.00                                 |
|            | (ii) Trade Receivables                                              | 5 (ii)    | -                                         | -                                         |
|            | (a) Receivable Considered Good- Secured                             | 5 (ii)    | -                                         | -                                         |
|            | (b) Receivable Considered Good- Unsecured                           | 5 (ii)    | -                                         | -                                         |
|            | (c) Receivable which have significant increase in credit risk       | 5 (ii)    | -                                         | -                                         |
|            | (d) Receivable Credit Impaired                                      | 5 (ii)    | -                                         | -                                         |
|            | (iii) Loans                                                         |           |                                           |                                           |
|            | (a) Receivable Considered Good - Secured                            | 5 (iii)   | 581.98                                    | 683.80                                    |
|            | (b) Receivable Considered Good - Unsecured                          |           | 25.26                                     | 81.62                                     |
|            | (c) Receivable which have significant increase in credit risk       |           | -                                         | -                                         |
|            | (d) Receivable Credit Impaired                                      |           | -                                         | -                                         |
|            | (iv) Others                                                         | 5 (iv)    | 7,121.28                                  | 5,788.50                                  |
|            | (E) Deferred Tax Assets (Net)                                       | 6         | 70,452.11                                 | 94,435.67                                 |
|            | (F) Other Non-Current Assets                                        | 7         | 40.74                                     | 105.55                                    |
| <b>(2)</b> | <b>Current assets</b>                                               |           |                                           |                                           |
|            | (A) Inventories                                                     | 8         | 1,96,198.61                               | 1,58,791.39                               |
|            | (B) Financial Assets                                                |           |                                           |                                           |
|            | (i) Investments                                                     | 5 (i)     | -                                         | -                                         |
|            | (ii) Trade Receivables                                              | 5 (ii)    | 1,33,343.61                               | 1,72,810.55                               |
|            | (a) Loans Receivable Considered Good - Secured                      |           | -                                         | -                                         |
|            | (b) Loans Receivable considered Good - Unsecured                    |           | -                                         | -                                         |
|            | (c) Loans Receivable which have significant increase in credit risk |           | -                                         | -                                         |
|            | (d) Loans Receivable Credit Impaired                                |           | -                                         | -                                         |
|            | (iii) Cash and Cash Equivalents                                     | 5 (v) (a) | 3,742.03                                  | 12,291.81                                 |
|            | (iv) Bank Balances other than (iii) above                           | 5 (v) (b) | 2,00,017.86                               | 1,44,050.00                               |
|            | (v) Loans                                                           | 5 (iii)   | 150.69                                    | 103.38                                    |
|            | (a) Loans Receivable Considered Good - Secured                      |           | -                                         | -                                         |
|            | (b) Loans Receivable Considered Good - Unsecured                    | 5 (iii)   | 37.41                                     | 44.20                                     |
|            | (c) Loans Receivable which have significant increase in credit risk |           | -                                         | -                                         |
|            | (d) Loans Receivable Credit Impaired                                |           | -                                         | -                                         |
|            | (vi) Others                                                         | 5 (iv)    | 9,728.81                                  | 16,640.53                                 |
|            | (C) Current Tax Assets (Net)                                        | 9 (a)     | 255.64                                    | -                                         |
|            | (D) Other Current Assets                                            | 10        | 11,185.30                                 | 17,772.70                                 |
|            | <b>Total Assets</b>                                                 |           | <b>8,08,870.50</b>                        | <b>7,97,543.91</b>                        |
| <b>II.</b> | <b>EQUITY AND LIABILITIES</b>                                       |           |                                           |                                           |
| <b>(1)</b> | <b>Equity</b>                                                       |           |                                           |                                           |
|            | (A) Equity Share Capital                                            | 11        | 98,750.07                                 | 1,06,424.10                               |
|            | (B) Other Equity                                                    |           |                                           |                                           |
|            | - Reserve & Surplus                                                 | 12        | 3,32,208.90                               | 3,30,531.67                               |
| <b>(2)</b> | <b>Liabilities</b>                                                  |           |                                           |                                           |
|            | <b>Non-current Liabilities</b>                                      |           |                                           |                                           |
|            | (A) Financial Liabilities                                           |           |                                           |                                           |
|            | (i) Borrowings                                                      | 13 (i)    | -                                         | -                                         |
|            | (ii) Trade Payables                                                 | 13 (ii)   | 360.74                                    | 780.77                                    |
|            | (a) Total Outstanding Dues of MSME                                  |           | -                                         | -                                         |
|            | (b) Total Outstanding Dues of Creditors other than MSME             |           | -                                         | -                                         |
|            | (iii) Other Financial Liabilities                                   | 13 (iii)  | 15,855.05                                 | 21,013.70                                 |
|            | (B) Provisions                                                      | 14 (i)    | 36.92                                     | 5.00                                      |
|            | (C) Employees Benefit Obligations                                   | 15 (i)    | 1,53,038.87                               | 1,48,979.79                               |
|            | (D) Other Non-Current Liabilities                                   | 16        | 26,624.79                                 | 11,336.16                                 |
|            | <b>Current Liabilities</b>                                          |           |                                           |                                           |
|            | (A) Financial Liabilities                                           |           |                                           |                                           |
|            | (i) Borrowings                                                      | 13 (i)    | -                                         | -                                         |
|            | (ii) Trade Payables                                                 |           |                                           |                                           |
|            | (a) Total Outstanding Dues of MSME                                  | 13 (ii)   | 360.09                                    | 373.24                                    |
|            | (b) Total Outstanding Dues of Creditors other than MSME             | 13 (ii)   | 26,126.84                                 | 25,904.03                                 |
|            | (iii) Other Financial Liabilities                                   | 13 (iii)  | 6,814.63                                  | 7,294.16                                  |
|            | (B) Other Current Liabilities                                       | 17        | 42,162.19                                 | 40,132.87                                 |
|            | (C) Provisions                                                      | 14 (ii)   | 86,755.43                                 | 84,901.66                                 |
|            | (D) Employees Benefit Obligations                                   | 15 (ii)   | 19,775.98                                 | 16,884.58                                 |
|            | (E) Current Tax Liabilities (Net of Advance tax)                    | 9 (b)     | -                                         | 2,982.18                                  |
|            | <b>Total Equity and Liabilities</b>                                 |           | <b>8,08,870.50</b>                        | <b>7,97,543.91</b>                        |

Significant Accounting Policies and Notes referred to above form an integral part of the Balance Sheet and should be read in conjunction therewith. As per our report of even date attached.

**For and on behalf of**

**M/s. Ashwani & Associates**

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

**(Sanjeeva Narayan)**

Partner

Membership Number: 084205

UDIN : 20084205AAAALE6388

Date: 20.08.2020

Place: New Delhi

**On behalf of Security Printing and Minting Corporation of India Limited**

Sd/-

**(Sachin Agarwal)**

Company Secretary  
(PAN: ADRPA9630Q)

Sd/-

**(Ajay Agarwal)**

Director (Finance) & CFO  
(DIN : 06778079)

Sd/-

**(Tripti P. Ghosh)**

Chairman and Managing Director  
(DIN : 08123112)



*Manufacturer of Instruments of Faith*



## SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

### Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2020

(Amount in ₹ lakhs)

| Sl. No. | Particulars                                                                                                                       | Note No. | For the year ended 31 <sup>st</sup> March 2020 | For the year ended 31 <sup>st</sup> March 2019 |
|---------|-----------------------------------------------------------------------------------------------------------------------------------|----------|------------------------------------------------|------------------------------------------------|
| I.      | Revenue From Operations                                                                                                           | 18       | 4,96,606.90                                    | 5,71,133.56                                    |
| II.     | Other Income                                                                                                                      | 19       | 21,030.21                                      | 11,388.81                                      |
| III.    | <b>Total Income (I+II)</b>                                                                                                        |          | <b>5,17,637.11</b>                             | <b>5,82,522.37</b>                             |
| IV.     | <b>EXPENSES</b>                                                                                                                   |          |                                                |                                                |
|         | Cost of Materials Consumed                                                                                                        | 20       | 2,37,230.79                                    | 2,29,468.03                                    |
|         | Purchases of Stock-in-Trade                                                                                                       |          | -                                              | -                                              |
|         | Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress                                                     | 21       | (44,563.65)                                    | 41,697.55                                      |
|         | Employee Benefits Expense                                                                                                         | 22       | 1,28,547.46                                    | 1,27,761.01                                    |
|         | Finance Costs                                                                                                                     | 23       | 3,100.51                                       | 1,860.64                                       |
|         | Depreciation and Amortization Expense                                                                                             | 3 & 4    | 13,282.25                                      | 13,656.45                                      |
|         | Other Expenses                                                                                                                    | 24       | 77,360.73                                      | 88,009.57                                      |
|         | <b>Total Expenses (IV)</b>                                                                                                        |          | <b>4,14,958.08</b>                             | <b>5,02,453.26</b>                             |
| V.      | <b>Profit/(Loss) before Exceptional Items and Tax (III-IV)</b>                                                                    |          | <b>1,02,679.03</b>                             | <b>80,069.11</b>                               |
| VI.     | Add: Exceptional Items                                                                                                            |          | -                                              | -                                              |
| VII.    | <b>Profit/(loss) Before Tax (V-VI)</b>                                                                                            |          | <b>1,02,679.03</b>                             | <b>80,069.11</b>                               |
| VIII.   | Tax Expense:                                                                                                                      |          |                                                |                                                |
|         | (1) (a) Current Tax                                                                                                               |          | 26,600.00                                      | 34,031.00                                      |
|         | (b) Tax for Earlier Years                                                                                                         |          | -                                              | 2,023.51                                       |
|         | (2) Deferred Tax                                                                                                                  |          | 23,318.95                                      | (7,323.24)                                     |
| IX.     | <b>Profit / (Loss) for the Year from Continuing Operations (VII-VIII)</b>                                                         |          | <b>52,760.08</b>                               | <b>51,337.84</b>                               |
| X.      | Profit/(loss) from Discontinued Operations                                                                                        |          | -                                              | -                                              |
| XI.     | Tax Expense of Discontinued Operations                                                                                            |          | -                                              | -                                              |
| XII.    | Profit/(loss) from Discontinued Operations (After Tax) (X-XI)                                                                     |          | -                                              | -                                              |
| XIII.   | <b>Profit/(loss) for the Year (IX+XII)</b>                                                                                        |          | <b>52,760.08</b>                               | <b>51,337.84</b>                               |
| XIV.    | <b>Other Comprehensive Income</b>                                                                                                 |          |                                                |                                                |
|         | A (i) Items that will not be reclassified to profit or loss                                                                       |          | 2,640.66                                       | 575.66                                         |
|         | (ii) Income tax relating to items that will not be reclassified to profit or loss                                                 |          | (664.60)                                       | (201.16)                                       |
|         |                                                                                                                                   |          | <b>1,976.06</b>                                | <b>374.50</b>                                  |
|         | B (i) Items that will be reclassified to Profit or Loss                                                                           |          | -                                              | -                                              |
|         | (ii) Income tax relating to items that will be reclassified to profit or loss                                                     |          | -                                              | -                                              |
|         |                                                                                                                                   |          | -                                              | -                                              |
| XV.     | <b>Total Comprehensive Income for the Period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the year)</b> |          | <b>54,736.14</b>                               | <b>51,712.34</b>                               |
| XVI.    | <b>Earnings per Share</b>                                                                                                         |          |                                                |                                                |
| (i)     | Basic Earnings per Share of ₹10/- Each                                                                                            |          | 5.18                                           | 4.86                                           |
| (ii)    | Diluted Earnings per Share of ₹10/- Each                                                                                          |          | 5.18                                           | 4.86                                           |

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

As per our report of even date attached.

**For and on behalf of**  
**M/s. Ashwani & Associates**

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

**(Sanjeeva Narayan)**

Partner

Membership Number: 084205

UDIN : 20084205AAAALE6388

Date: 20.08.2020

Place: New Delhi

**On behalf of Security Printing and Minting Corporation of India Limited**

Sd/-

**(Sachin Agarwal)**

Company Secretary

(PAN: ADRPA9630Q)

Sd/-

**(Ajay Agarwal)**

Director (Finance) & CFO

(DIN : 06778079)

Sd/-

**(Tripti P. Ghosh)**

Chairman and Managing Director

(DIN : 08123112)



**SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED**  
**Cash Flow Statement for the year ended 31<sup>st</sup> March 2020**

(Amount in ₹ lakhs)

| Particulars                                                               | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
|---------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>A. Cash Flow from Operating Activities</b>                             |                             |                             |
| Profit before Tax <b>a</b>                                                | <b>1,02,679.03</b>          | <b>80,069.11</b>            |
| Add:                                                                      |                             |                             |
| <b>Adjustment to reconcile Profit before Tax to Net Cash Flow</b>         |                             |                             |
| Depreciation and Amortisations of Property Plant and Equipment            | 13,282.25                   | 13,656.45                   |
| Interest Expenses                                                         | 3,100.51                    | 1,860.64                    |
| Loss / (Profit) on Sale of Property Plant and Equipment                   | 24.38                       | (16.51)                     |
| Interest Income                                                           | (11,175.61)                 | (6,640.38)                  |
| Provision Created Net of Written off                                      | 19,239.31                   | 28,574.42                   |
| Foreign Exchange Fluctuation                                              | 28.80                       | (367.93)                    |
| Interest on Income tax Refund                                             | 0.00                        | (773.28)                    |
| Dividend                                                                  | (4,000.00)                  | (23.18)                     |
| Other Adjustments                                                         | 2,640.66                    | 575.66                      |
| <b>Total b</b>                                                            | <b>23,140.30</b>            | <b>36,845.89</b>            |
| <b>Operating Profit Before Working Capital Changes c=a+b</b>              | <b>1,25,819.33</b>          | <b>1,16,915.00</b>          |
| Adjustment for                                                            |                             |                             |
| (Increase) / Decrease in Trade Receivables                                | 39,466.94                   | (64,456.98)                 |
| (Increase) / Decrease in Inventories                                      | (37,407.22)                 | 82,827.91                   |
| (Increase) / Decrease in Loans & Advances                                 | 117.66                      | 191.05                      |
| (Increase) / Decrease in Other Assets                                     | 16,255.15                   | 9,653.48                    |
| Increase / (Decrease) in Trade Payable                                    | (239.17)                    | 3,662.61                    |
| Increase / (Decrease) in Other Current Liabilities                        | 4,441.17                    | 19,533.92                   |
| Increase / (Decrease) in Long Term Provisions                             | (19,207.39)                 | 0.00                        |
| Increase / (Decrease) in Short Term Provisions                            | 1,853.77                    | (22,116.83)                 |
| Increase / (Decrease) in Other Non Current Liabilities                    | 14,189.05                   | 7,649.19                    |
| (Increase) / Decrease in Other Non-Current Assets                         | (1,267.96)                  | (89.59)                     |
| <b>Total d</b>                                                            | <b>18,202.00</b>            | <b>36,854.76</b>            |
| <b>Cash Generated from Operations e=c+d</b>                               | <b>1,44,021.33</b>          | <b>1,53,769.75</b>          |
| Less: Tax Paid (Net of Refund) <b>f</b>                                   | <b>29,859.99</b>            | <b>26,820.30</b>            |
| <b>Net Cash Flow from Operating Activities g=(e-f)</b>                    | <b>1,14,161.34</b>          | <b>1,26,949.47</b>          |
| <b>B. Cash Flow from Investing Activities</b>                             |                             |                             |
| Interest Income                                                           | 8,419.58                    | 6,281.59                    |
| Dividend Income                                                           | 4,000.00                    | 23.18                       |
| Sale of Property, Plant & Equipments                                      | 34.92                       | 1,302.76                    |
| Purchase and Adjustment in Property, Plant and Equipment (Including CWIP) | (15,364.27)                 | (11,653.48)                 |
| (Increase)/ Decrease in Current Investments                               | 0.00                        | 9,009.28                    |
| (Increase)/ Decrease in Investments                                       | -                           | -                           |
| Increase/(Decrease) in Long Term Liabilities                              | -                           | -                           |
| <b>Net Cash Flow from Investing Activities h</b>                          | <b>(2,909.77)</b>           | <b>4,963.33</b>             |
| <b>C. Cash Flow from Financing Activities</b>                             |                             |                             |
| Issuance of Share Capital                                                 | -                           | -                           |
| Dividend Paid to Equity Shareholders                                      | (21,848.00)                 | (20,487.15)                 |
| Dividend Distribution Tax                                                 | (4,490.92)                  | (4,286.90)                  |
| Buy Back of Share Capital                                                 | (29,345.48)                 | 0.00                        |
| Tax paid on Buy Back of Shares                                            | (5,048.58)                  | 0.00                        |
| Change in Capital Reserve                                                 | -                           | -                           |
| Interest Paid                                                             | (3,100.51)                  | (1,860.64)                  |
| <b>Net Cash Flow from Financing Activities i</b>                          | <b>(63,833.49)</b>          | <b>(26,634.69)</b>          |
| Cash & Cash Equivalent at the Beginning of the Year <b>j</b>              | <b>1,56,341.81</b>          | <b>51,063.70</b>            |
| Increase/ (Decrease) in Cash or Cash Equivalent <b>k=g+h+i</b>            | <b>47,418.08</b>            | <b>1,05,278.11</b>          |
| Net Increase/(Decrease) in Cash or Cash Equivalent                        | <b>47,418.08</b>            | <b>1,05,278.11</b>          |
| <b>Cash &amp; Cash Equivalent at the End of the Year</b>                  | <b>2,03,759.89</b>          | <b>1,56,341.81</b>          |

For and on behalf of

M/s. Ashwani & Associates

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

(Sanjeeva Narayan)

Partner

Membership Number: 084205

UDIN : 20084205AAAALE6388

Date: 20.08.2020

Place: New Delhi

On behalf of Security Printing and Minting Corporation of India Limited

Sd/-

(Sachin Agarwal)

Company Secretary

(PAN: ADRPA9630Q)

Sd/-

(Ajay Agarwal)

Director (Finance) & CFO

(DIN : 06778079)

Sd/-

(Tripti P. Ghosh)

Chairman and Managing Director

(DIN : 08123112)





*Manufacturer of Instruments of Faith*



## SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

### Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2020

#### A. Equity Share Capital

(Amount in ₹ lakhs)

| Balance as at April 1, 2018 | Change During the year | Balance as at March 31, 2019 |
|-----------------------------|------------------------|------------------------------|
| 1,06,424.10                 | -                      | 1,06,424.10                  |
| Balance as at April 1, 2019 | Change During the year | Balance as at March 31, 2020 |
| 1,06,424.10                 | 7,674.03               | 98,750.07                    |

#### B. Other Equity

| Particulars                                                                   | Other Equity        |                 |                   |                            |                                  | Total       |
|-------------------------------------------------------------------------------|---------------------|-----------------|-------------------|----------------------------|----------------------------------|-------------|
|                                                                               | Reserve and Surplus |                 |                   |                            | Other Comprehensive Income (OCI) |             |
|                                                                               | Capital Reserve     | General Reserve | Retained Earnings | Capital Redemption Reserve |                                  |             |
| Balance as on 31 <sup>st</sup> March, 2018                                    | 33,819.95           |                 | 2,59,951.63       | 11,824.90                  | (2,003.10)                       | 3,03,593.38 |
| Net Profit for the Year 2018-19                                               | -                   | -               | 51,337.84         | -                          | -                                | 51,337.84   |
| Items of Other Comprehensive Income recognized directly in retained earnings. | -                   | -               | -                 | -                          | 374.50                           | 374.50      |
| Dividend Distribution Tax                                                     | -                   | -               | (4,286.90)        | -                          | -                                | (4,286.90)  |
| Dividend Paid for the Previous Year                                           | -                   | -               | (20,487.15)       | -                          | -                                | (20,487.15) |
| Balance as on 31 <sup>st</sup> March 2019                                     | 33,819.95           | -               | 2,86,515.42       | 11,824.90                  | (1,628.60)                       | 3,30,531.67 |
| Net Profit for the Year 2019-20                                               | -                   | -               | 52,760.08         | -                          | 1,976.06                         | 54,736.14   |
| Adjustment of provision of MoF                                                |                     |                 | 0.05              |                            |                                  | 0.05        |
| Items of Other Comprehensive Income recognized directly in retained earnings. |                     |                 |                   |                            |                                  |             |
| Dividend Paid for the Previous Year                                           | -                   | -               | (21,848.00)       | -                          | -                                | (21,848.00) |
| Dividend Distribution Tax                                                     | -                   | -               | (4,490.92)        | -                          | -                                | (4,490.92)  |
| Buy Back of Shares                                                            | -                   | -               | (21,671.45)       | -                          | -                                | (21,671.45) |
| Transfer to Capital Redemption Reserve                                        | -                   | -               | (7,674.03)        | 7,674.03                   | -                                | -           |
| Income Tax on Buy Back of Shares                                              | -                   | -               | (5,048.58)        | -                          | -                                | (5,048.58)  |
| TOTAL                                                                         | 33,819.95           | -               | 2,78,542.57       | 19,498.93                  | 347.46                           | 3,32,208.90 |

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

As per our report of even date attached.

#### For and on behalf of

#### M/s. Ashwani & Associates

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

**(Sanjeeva Narayan)**

Partner

Membership Number: 084205

UDIN : 20084205AAAALE6388

Date: 20.08.2020

Place: New Delhi

#### On behalf of Security Printing and Minting Corporation of India Limited

Sd/-

**(Sachin Agarwal)**

Company Secretary

(PAN: ADRPA9630Q)

Sd/-

**(Ajay Agarwal)**

Director (Finance) & CFO

(DIN : 06778079)

Sd/-

**(Tripti P. Ghosh)**

Chairman and Managing Director

(DIN : 08123112)



## SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### Note 1 Company Overview

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

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

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

#### Note 2 Significant Accounting Policies

##### 2.1 Basis of Preparation and Presentation of Financial Statement

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

Accounting policies are consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting

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

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

##### 2.2 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are disclosed at appropriate places.

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

##### 2.3 Current versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or



- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

#### **All other Assets are Classified as Non-Current.**

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

#### **A Liability is current when:**

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

The Company classifies all other liabilities as non-current.

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

## **2.4 Summary of Significant Accounting Policies**

### **2.4.1 Revenue Recognition**

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

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

fair value of consideration received or receivable. Amount disclosed as revenue are net of GST.

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

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

In case of Bank Notes, revenue is recognized at predetermined rates.

The differences, if any, between the billing rates and the rates as approved by the Ministry of Finance on year to year basis is accounted for in the financial year, in which such rates are accepted by RBI.

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

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

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

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

### **2.4.2 Employee Benefits**

#### **a) Short-term Obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are





presented as current employee benefit obligations in the balance sheet.

**b) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**c) Post-employment obligations**

The Company operates the following post-employment schemes:

- (i) Defined benefit plans such as gratuity, pension, post-employment medical plans; and
- (ii) Defined contribution plans such as provident fund.

**(i) Defined Benefit Plans**

The Company's gratuity scheme is a defined benefit plan. A defined benefit plan is a post-employment benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits that employee have earned in return for their services in the current and prior periods. As per the order of the Government of India transferring the assets and liabilities of Units to the Company, most of the employees of the units were transferred on deemed deputation for a period of 2 years from the date of transfer i.e. 10/02/2006 which was

further extended for another 12 months. A notification was issued by the Government of India regarding absorption of employees in the company. Options were exercised and Government of India accepted absorption of employees in the company on 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, either opt for "Combined Pension" or "Pro Rata Pension". Combined pension optees are eligible to get their pension from the SPMCIL Pension Trust constituted by Government of India at the time of their superannuation from company. Government of India shall contribute for the past services rendered and company shall contribute for the period they will serve the company. Manner and amount of contribution shall be governed by Rule 37-A of Central Civil Services (Pension) Rules. However, the company is making provision for pensionary charges of these employees as per the actuarial valuation in accordance with Ind AS. Contribution by Government to the company in subsequent years will be accounted for in the year of receipt.

**(a) Gratuity**

Gratuity is a post-employment defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the Balance Sheet date. The Company's liability is actuarially determined at the end of each year. Actuarial gains/ losses through remeasurement are recognised in other comprehensive income.

**(b) Pension and Gratuity Obligations**

The liability or asset recognised in the balance



sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

These are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### **(c) Post-employment Medical Obligations**

Liability in respect of Post-Retirement Medical Benefits, a defined benefit plan, is being provided as per actuarial valuation. The difference between liability balance and accrued liability at the end of the year based on actuarial valuation is charged to other comprehensive income.

### **(d) Bonus Plans**

The company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### **(ii) Defined Contribution Plans**

The company's provident fund scheme is a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions and will have no obligation to pay further amounts. Obligation for contributions to defined contribution plans are recognised as employees benefit expenses in the statement of Profit and Loss when they are due.

## **2.4.3 Taxes**

### **a) Current Tax**

The current tax expense for the period is determined as the amount of tax payable in respect of taxable income for the period, based on the applicable income tax rates.

Current tax relating to items recognised in other comprehensive income or equity is recognised in other comprehensive income or equity, respectively.

### **b) Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is



settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

Deferred tax relating to items recognised in other comprehensive income or equity is recognised in other comprehensive income or equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

#### **2.4.4 Property, Plant and Equipment**

Freehold land is carried at historical cost. All other items of Property, Plant and Equipment are stated at historical cost less depreciation and impairment if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items until they are ready for use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which these are incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Mobile phone instruments purchased by the staff as per the policy of the company and reimbursed by the company are not capitalized but charged to the revenue.

#### **2.4.5 Depreciation Methods / Estimated Useful Lives and Residual Value**

##### **a) Tangible Assets**

Depreciation is provided on pro rata basis on Straight Line Method over the estimated useful life of the assets as prescribed in Schedule-II of the Companies Act, 2013 except in respect of the assets where the useful life is different based upon the technical evaluation done by the management. The estimates of the useful life of assets are as follows:-

| Assets                         | Useful life                                         |
|--------------------------------|-----------------------------------------------------|
| Lease hold land                | Over the period of lease                            |
| Building                       | 60 Years                                            |
| Factory Building               | 30 Years                                            |
| Plant & Machinery              | 15 years (Single Shift),<br>10 years (Double Shift) |
| Furniture & Fixture            | 10 years                                            |
| Office equipment               | 5 years                                             |
| Vehicles                       | 8 years                                             |
| Computers                      | 3 years                                             |
| Others                         | 10 years                                            |
| Assets costing less than ₹5000 | The year of purchase                                |

The assets residual values and useful life of assets are reviewed by the management at the end of each reporting period. The asset carrying amount is written down to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

##### **b) Intangible Assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that these are available for use.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives in the manner as prescribed in Schedule II of the Companies Act 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II of the Companies Act 2013 are used:

|                                                                                                       |                              |
|-------------------------------------------------------------------------------------------------------|------------------------------|
| Computer software costing less than ₹ 1 lakh                                                          | 100% in the year of purchase |
| Computer software costing more than ₹1 lakh (where the useful life is less than or equal to one year) | 100% in the year of purchase |
| Computer software costing more than ₹1 lakh (in other cases)                                          | 33.33% on SLM                |
| Assets costing less than ₹5000                                                                        | 100% in the year of purchase |





#### 2.4.6 Inventories

Inventories are valued at the lower of Cost or Net Realizable Value. Cost incurred in bringing each product to its present location & conditions are accounted as follow:-

- a) Raw Material, Work in Progress and Consumable Stores are valued at cost (Weighted average cost basis).
- b) Finished goods are valued at lower of the cost or net realizable value.
- c) Scraps are valued at net realizable value.
- d) Slow moving/obsolete inventories are valued at the lower of Cost or net realizable value.

#### 2.4.7 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

A contingent asset is neither recognised nor disclosed.

#### 2.4.8 Foreign Currency Transactions

Foreign currency denominated monetary transactions are recorded at the exchange rates prevailing on the date of respective transactions. Realized gains and losses on foreign currency transactions during the year are recognised in Profit and Loss Account.

Foreign-currency denominated monetary assets and liabilities remaining unsettled at the Balance Sheet date are translated at exchange rates in effect at the balance sheet date. The gains or losses

resulting from such translations are included in the Statement of Profit and Loss.

#### 2.4.9 Financial Instruments

##### a) Component of Financial Instruments

- (i) Financial Assets includes, in particulars, cash and cash equivalents, trade receivables, other current receivables and callable security deposits.
- (ii) Financial Liabilities includes, in particulars, borrowings, trade payables and other current payables.

##### b) Initial Recognitions

The company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All the financial assets and financial liabilities are recognised at fair value, which represents the transaction cost at the date of transaction.

##### c) Subsequent Recognition & Impairment

Subsequent recognition of financial assets and financial liabilities are at fair value, if the carrying amount is a reasonable approximation of the fair value it is maintained at that value. Any diminution / impairment in value is recognised in statement of profit and loss as impairment gain /loss.

##### d) Derecognition of Financial Assets and Financial Liabilities

A financial assets is derecognized when the contractual rights to the cash flow is realised or forfeited. The financial liability is derecognized when the underlying obligation relating to the liability is fulfilled, terminated or extinguished.

#### 2.4.10 Investment

##### a) In Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.



The investment in joint venture is recognised at Cost.

#### **b) Other Investments**

Investments in mutual funds are classified at fair value through the Statement of Profit & Loss Account.

#### **2.4.11 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **2.4.12 Cash and Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### **2.4.13 Cash Flow Statement**

Cash Flow Statement is reported using the indirect method as per Ind AS 07, Statement of Cash Flow.

#### **2.4.14 Cash Dividend to Equity Holders**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

#### **2.4.15 Earnings per Share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

#### **2.4.16 Leases**

Lease payments under an operating lease are recognised as an expense in the profit and loss account on accrual basis.

#### **2.4.17 Non-current Assets held for Sale**

Non-current assets are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. These are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and their related liabilities are presented separately in the balance sheet, if any. Non-current assets are not depreciated or amortized while they are classified as held for sale.

#### **2.4.18 Impairment of Assets**

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

#### **2.4.19 Materiality of Income/Expenditure**

An item of income or expenditure of one or more prior periods is considered material if, it exceeds 0.5% of total revenues of the company, as per last years audited financial statements, in each such case.



### Note 3 Property, Plant & Equipment

| Particulars                |                           | Gross Block              |           |           |             | Depreciation             |                          |                           |             | Impairment |                          | Total net carrying amount |                 |                          |                          |
|----------------------------|---------------------------|--------------------------|-----------|-----------|-------------|--------------------------|--------------------------|---------------------------|-------------|------------|--------------------------|---------------------------|-----------------|--------------------------|--------------------------|
|                            |                           | Balance as on 01.04.2019 | Additions | Disposals | Adjustments | Balance as on 31.03.2020 | Balance as on 01.04.2019 | Depreciation for the year | Adjustments | Disposal   | Balance as on 31.03.2020 | Balance as at 01.04.2019  | During the Year | Balance as on 31.03.2020 | Balance as on 31.03.2019 |
| Property Plant & Equipment |                           |                          |           |           |             |                          |                          |                           |             |            |                          |                           |                 |                          |                          |
|                            | Land                      | 475.71                   | -         | -         | -           | 475.71                   | -                        | -                         | -           | -          | -                        | -                         | -               | 475.71                   | 475.71                   |
|                            | Lease Hold Land           | 190.47                   | -         | -         | -           | 190.47                   | 11.11                    | 2.78                      | -           | -          | 13.89                    | -                         | -               | 176.58                   | 179.36                   |
|                            | Building                  | 9,474.39                 | 203.75    | -         | -           | 9,678.14                 | 1,291.78                 | 443.70                    | -           | -          | 1,735.48                 | -                         | -               | 7,942.67                 | 8,182.61                 |
|                            | Factory Building          | 16,281.83                | 1,542.45  | -         | 0.00        | 17,824.28                | 1,930.61                 | 689.00                    | -           | -          | 2,619.61                 | -                         | -               | 15,204.68                | 14,351.22                |
|                            | Plant and Equipment       | 1,40,421.31              | 6,276.69  | 256.19    | 20.46       | 1,46,421.34              | 36,116.78                | 11,151.53                 | -           | 229.93     | 47,038.38                | 3.19                      | -               | 99,379.77                | 1,04,301.34              |
|                            | Furniture and Fixtures    | 987.34                   | 58.60     | 1.18      | 1.39        | 1,043.38                 | 339.87                   | 102.06                    | -           | 0.86       | 441.07                   | -                         | -               | 602.31                   | 647.47                   |
|                            | Vehicles                  | 306.22                   | 72.84     | 15.41     | -           | 363.65                   | 127.03                   | 36.80                     | -           | 14.90      | 148.93                   | -                         | -               | 214.72                   | 179.19                   |
|                            | Office Equipments         | 930.21                   | 225.21    | 2.73      | (17.65)     | 1,170.34                 | 466.27                   | 126.23                    | -           | 2.39       | 590.11                   | -                         | -               | 580.23                   | 463.94                   |
| Other Equipments           |                           |                          |           |           |             |                          |                          |                           |             |            |                          |                           |                 |                          |                          |
|                            | - Computers & Printers    | 1,588.47                 | 173.88    | 22.79     | (1.69)      | 1,741.25                 | 1,109.27                 | 149.92                    | 3.35        | 15.29      | 1,240.54                 | -                         | -               | 500.71                   | 479.20                   |
|                            | - Railway Siding          | 409.14                   | -         | -         | -           | 409.14                   | 35.84                    | 25.88                     | -           | -          | 61.72                    | -                         | -               | 347.42                   | 373.30                   |
|                            | - Electrical Installation | 4,462.56                 | 329.60    | -         | (0.02)      | 4,792.18                 | 1,788.84                 | 483.69                    | -           | -          | 2,269.53                 | -                         | -               | 2,519.65                 | 2,673.72                 |
|                            | - S&D Assets              | 15.59                    | -         | -         | -           | 15.59                    | -                        | 0.96                      | -           | -          | 0.96                     | -                         | -               | 14.63                    | 15.59                    |
|                            | - R&D Assets              | 281.89                   | 15.28     | -         | -           | 297.17                   | 85.09                    | 33.33                     | -           | -          | 118.42                   | -                         | -               | 178.75                   | 196.80                   |
|                            | - Tools                   | 0.12                     | -         | -         | -           | 0.12                     | 0.01                     | 0.01                      | -           | -          | 0.02                     | -                         | -               | 0.10                     | 0.11                     |
|                            | - Lower Asset Value       | 1.47                     | 2.38      | -         | -           | 3.85                     | 1.46                     | 1.42                      | -           | -          | 2.88                     | -                         | -               | 0.97                     | 0.01                     |
|                            | - Lab Equipments          | 125.10                   | 2.29      | -         | -           | 127.39                   | 21.13                    | 12.13                     | -           | -          | 33.26                    | -                         | -               | 94.13                    | 103.97                   |
| TOTAL (A)                  |                           | 1,75,951.82              | 8,902.98  | 298.30    | 2.49        | 1,84,554.01              | 43,325.10                | 13,256.43                 | 3.35        | 263.38     | 56,314.80                | 3.19                      | -               | 3.19 1,28,233.02         | 1,32,623.54              |
| Previous Year              |                           | 1,59,471.13              | 10,692.34 | 239.77    | (6,028.13)  | 1,75,951.83              | 30,803.66                | 12,740.45                 | 1.15        | 217.86     | 43,325.10                | 3.19                      | -               | 3.19 1,32,623.54         | 1,28,664.28              |
| Capital Work in Progress   |                           |                          |           |           |             |                          |                          |                           |             |            |                          |                           |                 |                          |                          |
|                            | Capital Work in Progress  | 1,178.86                 | 7,595.30  | -         | (1,168.46)  | 7,605.70                 | -                        | -                         | -           | -          | -                        | -                         | -               | 7,605.70                 | 1,178.86                 |
| TOTAL (B)                  |                           | 1,178.86                 | 7,595.30  | -         | (1,168.46)  | 7,605.70                 | -                        | -                         | -           | -          | -                        | -                         | -               | 7,605.70                 | 1,178.86                 |
| Previous Year              |                           | 7,549.04                 | 1,432.02  | 1,264.35  | 6,537.85    | 1,178.86                 | -                        | -                         | -           | -          | -                        | -                         | -               | 1,178.86                 | 7,549.04                 |

### Note 4 Intangible Assets

| Particulars          | Gross Block              |              |           |          | Depreciation             |                          |                             |           | Total net carrying amount |                          |
|----------------------|--------------------------|--------------|-----------|----------|--------------------------|--------------------------|-----------------------------|-----------|---------------------------|--------------------------|
|                      | Balance as on 01.04.2019 | Additions    | Disposals | Adj.     | Balance as on 31.03.2020 | Balance as on 01.04.2019 | Depreciation for the period | Disposals | Balance as on 31.03.2020  | Balance as on 31.03.2019 |
| Computer Software    | 731.47                   | 34.46        | -         | -        | 765.93                   | 589.66                   | 25.81                       | -         | 150.45                    | 141.81                   |
| <b>Total</b>         | <b>731.47</b>            | <b>34.46</b> | <b>-</b>  | <b>-</b> | <b>765.93</b>            | <b>589.66</b>            | <b>25.81</b>                | <b>-</b>  | <b>150.45</b>             | <b>141.81</b>            |
| <b>Previous Year</b> | <b>692.63</b>            | <b>38.84</b> | <b>-</b>  | <b>-</b> | <b>731.47</b>            | <b>487.22</b>            | <b>102.44</b>               | <b>-</b>  | <b>141.81</b>             | <b>205.41</b>            |





## Note 5 (i)

### (a) Non Current Investments

(Amount in ₹ lakhs)

| Particulars                                                                                                                                                                                                                                                                         | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Investment in Equity Instruments in Joint Venture at Cost<br>(Unquoted Equity Shares of Bank Note Paper Mill India Pvt<br>Ltd. {JV of Security Printing and Minting Corporation of<br>India Ltd and Bhartiya Reserve Bank Note Mudran Pvt Ltd<br>[40,00,00,000 Shares @ ₹10 each]}) | 40,000.00                                    | 40,000.00                                    |
| <b>Total Investment</b>                                                                                                                                                                                                                                                             | <b>40,000.00</b>                             | <b>40,000.00</b>                             |

### (b) Investments - Current

(Amount in ₹ lakhs)

| Particulars                                          | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Investment in Mutual funds - Quoted                  |                                              |                                              |
| SBI Mutual Fund                                      | -                                            | -                                            |
| UTI Treasury Advantages Fund' (Valued at Fair value) | -                                            | -                                            |
| <b>Total Investment</b>                              | <b>-</b>                                     | <b>-</b>                                     |

## Note 5 (ii)

### (a) Trade Receivables - Non Current

(Amount in ₹ lakhs)

| Particulars                                                                 | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-----------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| (i) Trade Receivables                                                       |                                              |                                              |
| (a) Secured, Considered Good                                                | -                                            | -                                            |
| (b) Unsecured, Considered Good                                              | 10,899.04                                    | 9,242.93                                     |
| (c) Doubtful                                                                | -                                            | -                                            |
| (d) Trade Receivable which have significant increase<br>in credit risk: and | 8,956.50                                     | 9,339.47                                     |
| (e) Trade Receivable Credit Impaired                                        | -                                            | -                                            |
| <b>Total (A)</b>                                                            | <b>19,855.54</b>                             | <b>18,582.40</b>                             |
| (i) Allowance for Bad Debts                                                 | 11,829.49                                    | 10,556.35                                    |
| (ii) Provision for Rate Difference                                          | 8,026.05                                     | 8,026.05                                     |
| <b>Total (B)</b>                                                            | <b>19,855.54</b>                             | <b>18,582.40</b>                             |
| <b>Total Trade Receivables (A-B)</b>                                        | <b>-</b>                                     | <b>-</b>                                     |



**(b) Trade Receivables - Current**

(Amount in ₹ lakhs)

| Particulars                                        | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|----------------------------------------------------|----------------------------------------------|----------------------------------------------|
| (i) Trade Receivables                              |                                              |                                              |
| (a) Secured, Considered Good                       | 77.87                                        | -                                            |
| (b) Unsecured, Considered Good                     | 1,77,113.95                                  | 2,21,540.38                                  |
| (c) Doubtful                                       | 3,542.37                                     | 3,937.06                                     |
| (d) Which have significant increase in credit risk | 5.13                                         | 5.13                                         |
| (e) Credit Impaired                                | -                                            | -                                            |
| <b>Total (A)</b>                                   | <b>1,80,739.32</b>                           | <b>2,25,482.57</b>                           |
| (ii) Allowance for Bad Debts                       | 30,994.57                                    | 31,389.27                                    |
| (iii) Provision for Rate Differences               | 16,401.14                                    | 21,282.76                                    |
| <b>Total (B)</b>                                   | <b>47,395.71</b>                             | <b>52,672.03</b>                             |
| <b>Trade Receivables (C) i.e. (A-B)</b>            | <b>1,33,343.61</b>                           | <b>1,72,810.55</b>                           |
| (iii) Debts Due by Directors / Related Parties     | -                                            | -                                            |
| <b>Total (D)</b>                                   | <b>-</b>                                     | <b>-</b>                                     |
| <b>Total Trade Receivables</b>                     | <b>1,33,343.61</b>                           | <b>1,72,810.55</b>                           |

**Note 5 (iii)**

**(a) Loans - Non-current**

(Amount in ₹ lakhs)

| Particulars                                        | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|----------------------------------------------------|----------------------------------------------|----------------------------------------------|
| (i) Security Deposit                               |                                              |                                              |
| (a) Secured, Considered Good                       | -                                            | -                                            |
| (b) Unsecured, Considered Good                     | 291.73                                       | 269.23                                       |
| <b>Total (A)</b>                                   | <b>291.73</b>                                | <b>269.23</b>                                |
| (ii) Loans Due from Directors / Related Parties    |                                              |                                              |
| (a) Secured, Considered Good                       | -                                            | -                                            |
| (b) Unsecured, Considered Good                     | -                                            | -                                            |
| (c) Doubtful                                       | -                                            | -                                            |
| (d) Which have Significant Increase in Credit Risk | -                                            | -                                            |
| (e) Credit Impaired                                | -                                            | -                                            |
| <b>Total (B)</b>                                   | <b>-</b>                                     | <b>-</b>                                     |
| (iii) Other loans                                  |                                              |                                              |
| (a) Secured, Considered Good                       |                                              |                                              |
| - Loan Due from Employees                          | 281.51                                       | 402.28                                       |
| (b) Unsecured, Considered Good                     | 25.26                                        | 81.62                                        |
| - Loan Due from Employees                          | 8.73                                         | 12.29                                        |
| (c) Doubtful                                       | -                                            | -                                            |
| (d) Which have Significant Increase in Credit Risk | -                                            | -                                            |
| (e) Credit Impaired                                | -                                            | -                                            |
| <b>Total (C)</b>                                   | <b>315.51</b>                                | <b>496.19</b>                                |
| (iv) Allowance for bad and doubtful loans          | -                                            | -                                            |
| <b>Total (D)</b>                                   | <b>-</b>                                     | <b>-</b>                                     |
| <b>Loans Due (E) i.e. (A+B+C-D)</b>                | <b>607.24</b>                                | <b>765.42</b>                                |
| (v) Loans due from Directors                       | -                                            | -                                            |
| <b>Total (F)</b>                                   | <b>-</b>                                     | <b>-</b>                                     |
| <b>Total Loan (E+F)</b>                            | <b>607.24</b>                                | <b>765.42</b>                                |



**(b) Loans - Current**

(Amount in ₹ lakhs)

| Particulars                                                              | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|--------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| (A) Security Deposit                                                     |                                              |                                              |
| (a) Secured, Considered Good                                             | 2.22                                         | 2.22                                         |
| (b) Unsecured, Considered Good                                           | -                                            | -                                            |
| (c) Doubtful                                                             | -                                            | -                                            |
| <b>Total (A)</b>                                                         | <b>2.22</b>                                  | <b>2.22</b>                                  |
| (B) Other Loans                                                          |                                              |                                              |
| (a) Loans Receivable Considered Good - Secured                           | -                                            | -                                            |
| (b) Loans Receivable Considered Good - Unsecured                         | 37.41                                        | 44.20                                        |
| - Loans to Employees                                                     | 148.47                                       | 101.16                                       |
| (c) Loans Receivable which have Significant Increase in Credit Risk; and | -                                            | -                                            |
| (d) Loans Receivable Credit Impaired                                     | -                                            | -                                            |
| <b>Total (B)</b>                                                         | <b>185.89</b>                                | <b>145.36</b>                                |
| <b>Total Loan (A+B)</b>                                                  | <b>188.10</b>                                | <b>147.58</b>                                |

**Note 5 (iv)**

**(a) Others - Non-Current**

(Amount in ₹ lakhs)

| Particulars                               | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-------------------------------------------|----------------------------------------------|----------------------------------------------|
| (i) Capital advance                       |                                              |                                              |
| - Unsecured, considered good              | 12.00                                        | -                                            |
| (ii) Advances other than capital advances | -                                            | -                                            |
| (a) Security Deposit                      | -                                            | -                                            |
| - Deposit with CISF                       | 483.17                                       | 406.80                                       |
| - Deposit with Electricity Board          | 1,043.72                                     | 1,018.27                                     |
| - Deposit with Tax Authorities/other      | 4,341.25                                     | 3,888.04                                     |
| (b) Advances to related parties           | -                                            | -                                            |
| (c) Other advances                        | 2.10                                         | -                                            |
| (iii) Advances to directors               | -                                            | -                                            |
| (iv) Other advances                       | 1,239.04                                     | 475.39                                       |
| <b>Total</b>                              | <b>7,121.28</b>                              | <b>5,788.50</b>                              |

**(b) Others - Current**

(Amount in ₹ lakhs)

| Particulars                               | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-------------------------------------------|----------------------------------------------|----------------------------------------------|
| (i) Capital Advance                       | 313.36                                       | 4,044.07                                     |
| (ii) Advances other than Capital Advances | 546.89                                       | 2,625.60                                     |
| Security Deposit                          | -                                            | -                                            |
| Deposits with other Department            | 1.15                                         | 1.15                                         |
| Other Advances                            | 6.53                                         | 51.61                                        |
| Other Advances Receivables                | 337.87                                       | 3,796.86                                     |
| Interest Receivables on FDR               | 2,756.03                                     | 358.79                                       |
| Assets held for Sales                     | 5,766.99                                     | 5,762.46                                     |
| <b>Total</b>                              | <b>9,728.81</b>                              | <b>16,640.53</b>                             |





## Note 5(v)

### Cash & Cash Equivalents

(Amount in ₹ lakhs)

| Particulars                                | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|--------------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>a)</b>                                  |                                              |                                              |
| Balances with Banks                        | 3,718.15                                     | 12,284.31                                    |
| Cheques, Draft on Hand                     | 10.86                                        | -                                            |
| Cash on Hand                               | 9.71                                         | 3.90                                         |
| Postage on Hand                            | 3.31                                         | 3.60                                         |
| <b>Total Cash &amp; Cash Equivalents</b>   | <b>3,742.03</b>                              | <b>12,291.81</b>                             |
| <b>b)</b>                                  |                                              |                                              |
| Bank Balances other than above             |                                              |                                              |
| - FDR (Maturity period more than 3 months) | 2,00,017.86                                  | 1,44,050                                     |
| <b>Total Bank Balances</b>                 | <b>2,00,017.86</b>                           | <b>1,44,050.00</b>                           |

## Note 6

### Deferred Tax Assets & Liabilities

The tax effects of the significant temporary differences that resulted in deferred tax assets/liabilities are as follows:

(Amount in ₹ lakhs)

| Particulars                                           | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>Deferred Tax Assets/(Liabilities)</b>              |                                              |                                              |
| Property, Plant and Equipment                         | (11,752.58)                                  | (16,391.91)                                  |
| Current Liabilities, Trade Receivables and Provisions | 82,204.69                                    | 1,10,827.58                                  |
| <b>Net Deferred Tax Assets</b>                        | <b>70,452.11</b>                             | <b>94,435.67</b>                             |

## Note 7

### Other Non-current Assets

(Amount in ₹ lakhs)

| Particulars                              | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|------------------------------------------|----------------------------------------------|----------------------------------------------|
| Other Receivables                        | -                                            | 8.36                                         |
| Advance to PAO                           | 34.61                                        | 34.61                                        |
| Advance to Others                        | 6.12                                         | 0.82                                         |
| Non Moving Inventory                     | -                                            | 1,359.33                                     |
| Less: Provision for Non-moving Inventory | -                                            | (1,297.57)                                   |
| <b>Total</b>                             | <b>40.74</b>                                 | <b>105.55</b>                                |



## Note 8

### Inventories (At lower of Cost or Net Realisable Value)

(Amount in ₹ lakhs)

| Particulars               | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|---------------------------|----------------------------------------------|----------------------------------------------|
| (a) Raw Materials         |                                              |                                              |
| - Raw Materials           | 70,841.23                                    | 83,157.67                                    |
| - Raw Material in Transit | 613.98                                       | 873.96                                       |
| - Goods in Transit        | -                                            | 2,753.49                                     |
| (b) Work-in-progress      | 61,144.91                                    | 37,020.88                                    |
| (c) Finished Goods        | 45,292.83                                    | 15,598.45                                    |
| - Goods in transit        | -                                            | 1,826.71                                     |
| (d) Stores and spares     | 15,600.92                                    | 13,596.79                                    |
| (e) Others- Scrap         | 2,258.85                                     | 3,503.47                                     |
| - Other Inventory         | 445.90                                       | 459.97                                       |
| <b>Total Inventories</b>  | <b>1,96,198.61</b>                           | <b>1,58,791.39</b>                           |

## Note 9 (a)

### Current Tax Assets (Net)

(Amount in ₹ lakhs)

| Particulars                              | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|------------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>Balance with Income Tax Authority</b> |                                              |                                              |
| Advance Tax including TDS                | 26,855.64                                    | 92,431.00                                    |
| Less : Provision of Income Tax           | 26,600.00                                    | 95,413.18                                    |
| <b>Current Tax Assets - Net</b>          | <b>255.64</b>                                | <b>(2,982.18)</b>                            |

## Note 9 (b)

### Current Tax Liabilities (Net of Advance Tax)

(Amount in ₹ lakhs)

| Particulars                                         | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-----------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Provision for Income Tax                            | -                                            | -                                            |
| Less: Advance Tax/ TDS                              | -                                            | -                                            |
| <b>Current Tax Liabilities (Net of Advance tax)</b> | <b>-</b>                                     | <b>-</b>                                     |

## Note 10

### Other Current Assets

(Amount in ₹ lakhs)

| Particulars                              | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|------------------------------------------|----------------------------------------------|----------------------------------------------|
| Prepaid Expenses                         | 726.90                                       | 300.10                                       |
| Balance with Excise Authorities          | -                                            | 0.64                                         |
| Balance with Sales Tax / GST Authorities | 7,060.65                                     | 13,441.07                                    |
| Balance with Income Tax Authorities      | 2.67                                         | 2.70                                         |



| Particulars                           | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|---------------------------------------|----------------------------------------------|----------------------------------------------|
| Assets held for disposal              | -                                            | -                                            |
| PAO/C&C DEA Ministry of Finance (EPF) | -                                            | 901.98                                       |
| PAO/C&C DEA Ministry of Finance (GPF) | -                                            | 369.50                                       |
| Commemorative Coins                   | 0.96                                         | 0.96                                         |
| Other Receivables                     | 73.95                                        | 75.36                                        |
| Advances to Suppliers                 | 3,207.17                                     | 2,624.94                                     |
| Advances to CPWD                      | 113.00                                       | 55.46                                        |
| Advances to BSNL                      | -                                            | -                                            |
| <b>Total</b>                          | <b>11,185.30</b>                             | <b>17,772.70</b>                             |

## Note 11

### Issued Share Capital

(Amount in ₹ lakhs)

| Particulars                                           | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>Authorised Capital</b>                             |                                              |                                              |
| 2,50,00,00,000 Equity Shares of ₹10 Each              | <b>2,50,000.00</b>                           | <b>2,50,000.00</b>                           |
| <b>Issued and subscribed capital</b>                  |                                              |                                              |
| 118,24,90,000 Equity Shares of ₹10 Each               | 1,18,249.00                                  | 1,18,249.00                                  |
|                                                       | <b>1,18,249.00</b>                           | <b>1,18,249.00</b>                           |
| <b>Paid-up Capital</b>                                |                                              |                                              |
| 98,75,00,740 Equity Shares of ₹10 Each (Previous Year | 98,750.07                                    | 1,06,424.10                                  |
| 106,42,41,000 Equity Shares of ₹10 Each)              |                                              |                                              |
| <b>Total</b>                                          | <b>98,750.07</b>                             | <b>1,06,424.10</b>                           |

## Note 11A

### Reconciliation of equity shares outstanding at the beginning and at the end of year

(Figures in lakhs)

| Particulars                                                                                       | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|---------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Equity Shares at the beginning of the year                                                        | 10,642.41                                    | 10,642.41                                    |
| Add: Shares issued during the year                                                                | -                                            | -                                            |
| Less: Shares buyback during the year                                                              | 767.40                                       | -                                            |
| <b>Equity Shares outstanding at the end of the year i.e. as on<br/>31<sup>st</sup> March 2020</b> | <b>9,875.01</b>                              | <b>10,642.41</b>                             |

## Note 11B

Details of shares held by the holding company, their subsidiaries and associates : Nil

## Note 11C

Details of shareholders holding more than 5% of the equity share capital of the Company

| Particulars           | Figures as at<br>31 <sup>st</sup> March 2020<br>No. of Shares in lakhs | Figures as at<br>31 <sup>st</sup> March 2019<br>No. of Shares in lakhs |
|-----------------------|------------------------------------------------------------------------|------------------------------------------------------------------------|
| a) President of India | 9,875.01                                                               | 10,642.41                                                              |
| b) % of No of shares  | 99.99                                                                  | 99.99                                                                  |

## Note 11D

Terms and rights attached to the equity shares of the Company : Nil





## Note 12

### Reserve & Surplus

(Amount in ₹ lakhs)

| Particulars                                                                        | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| (a) Capital Reserve                                                                | 33,819.95                                    | 33,819.95                                    |
| (b) General Reserve                                                                | -                                            | -                                            |
| (c) Retained Earnings (Surplus)                                                    | 2,78,890.03                                  | 2,84,886.82                                  |
| (d) Capital Redemption Reserve                                                     | 19,498.93                                    | 11,824.90                                    |
| <b>Total Reserve &amp; Surplus</b>                                                 | <b>3,32,208.90</b>                           | <b>3,30,531.67</b>                           |
| <b>(a) Capital Reserve</b>                                                         |                                              |                                              |
| As per last statement of financial position                                        | 33,819.95                                    | 33,819.95                                    |
| Add: Current year transfer                                                         | -                                            | -                                            |
| Less : Written back in current year                                                | -                                            | -                                            |
| <b>Total Capital Reserve</b>                                                       | <b>33,819.95</b>                             | <b>33,819.95</b>                             |
| <b>(b) General Reserve</b>                                                         |                                              |                                              |
| As per last statement of financial position                                        | -                                            | -                                            |
| Add: Current year transfer                                                         | -                                            | -                                            |
| Less : Transfer to Capital Redemption Reserve                                      | -                                            | -                                            |
| Less : Written back in current year                                                | -                                            | -                                            |
| Less: Buyback of shares                                                            | -                                            | -                                            |
| <b>Total General Reserve</b>                                                       | <b>-</b>                                     | <b>-</b>                                     |
| <b>(c) Retained Earnings</b>                                                       |                                              |                                              |
| As per last statement of financial position                                        | 2,84,886.82                                  | 2,57,948.53                                  |
| Add : Net Profit/(Loss) for the Current Year                                       | 52,760.08                                    | 51,337.84                                    |
| Add : Items of other comprehensive income recognized directly in retained earnings | 1,976.06                                     | 374.50                                       |
| : Remeasurement of Employees Defined Benefit Plans                                 | -                                            | -                                            |
| : Prior Period Items                                                               | -                                            | -                                            |
| : Disputed Claim                                                                   | -                                            | -                                            |
| : Depreciation                                                                     | -                                            | -                                            |
| : Adjustment on Fixed Assets                                                       | -                                            | -                                            |
| : Adjustment on Pension                                                            | -                                            | -                                            |
| : Adjustment of Provision of MoF.                                                  | 0.05                                         | -                                            |
| Add : Transfer from Reserves                                                       | (7,674.03)                                   | -                                            |
| Less : Transfer to Corporate/HO                                                    | -                                            | -                                            |
| Less : Dividend Paid for the Previous Year                                         | (21,848.00)                                  | (20,487.15)                                  |
| Less : Dividend Distribution Tax                                                   | (4,490.92)                                   | (4,286.90)                                   |
| Less : Tax on Buy back                                                             | (5,048.58)                                   | -                                            |
| Less : Buy Back Share                                                              | (21,671.45)                                  | -                                            |
| Less : Transfer to General Reserve for Buy Back of Shares                          | -                                            | -                                            |
| Add : Income Tax Adjustments for Earlier Years                                     | -                                            | -                                            |
| <b>Total Retained Earnings</b>                                                     | <b>2,78,890.03</b>                           | <b>2,84,886.82</b>                           |
| <b>(d) Capital Redemption Reserve</b>                                              |                                              |                                              |
| As per last statement of financial position                                        | 11,824.90                                    | 11,824.90                                    |
| Add : Current Year Transfer                                                        | 7,674.03                                     | -                                            |
| Less : Written back in Current Year                                                | -                                            | -                                            |
| <b>Total Capital Redemption Reserve</b>                                            | <b>19,498.93</b>                             | <b>11,824.90</b>                             |



## Financial Liabilities - Non-Current Borrowing

### Note 13 (i)

#### Borrowings

(Amount in ₹ lakhs)

| Particulars                         | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-------------------------------------|----------------------------------------------|----------------------------------------------|
| Loans & Borrowings                  | -                                            | -                                            |
| <b>Total Non-Current Borrowings</b> | <b>-</b>                                     | <b>-</b>                                     |

### Note 13 (ii)

#### Trade Payables

(Amount in ₹ lakhs)

| Particulars                                                                     | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|---------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>(a) Non-Current</b>                                                          |                                              |                                              |
| - Trade Payables                                                                |                                              |                                              |
| (A) Total outstanding dues of micro and small enterprises: and                  | -                                            | -                                            |
| (B) Total outstanding dues of creditors other than micro and small enterprises. | 360.74                                       | 780.77                                       |
| <b>Total Non-Current Trade Payable</b>                                          | <b>360.74</b>                                | <b>780.77</b>                                |
| <b>(b) Current</b>                                                              |                                              |                                              |
| - Trade payables                                                                |                                              |                                              |
| (A) Total outstanding dues of micro and small enterprises: and                  | 360.09                                       | 373.24                                       |
| (B) Total outstanding dues of creditors other than micro and small enterprises. | 26,126.84                                    | 25,904.03                                    |
| <b>Total Current Trade Payable</b>                                              | <b>26,486.93</b>                             | <b>26,277.27</b>                             |
| <b>Total Trade Payables</b>                                                     | <b>26,847.67</b>                             | <b>27,058.03</b>                             |

### Note 13(iii)

#### Other Financial Liabilities

(Amount in ₹ lakhs)

| Particulars                                             | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|---------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>Other Financial Liabilities - Non-Current</b>        |                                              |                                              |
| Funds from GOI - Adjustable                             | 15,854.05                                    | 17,976.76                                    |
| Loan from MoF                                           | 1.00                                         | -                                            |
| Adjustment during the year                              |                                              | 3,036.94                                     |
| <b>Funds Adjustable from Govt. of India - Total (a)</b> | <b>15,855.05</b>                             | <b>21,013.70</b>                             |
| <b>Other Financial Liabilities - Current</b>            |                                              |                                              |
| Earnest Money Deposit (EMD)                             | 452.98                                       | 444.69                                       |
| Security Deposit of Supplier/Vendors                    | 635.69                                       | 982.66                                       |
| Salaries and Wages and Other Employee Benefit Payable   | 1,744.77                                     | 2,954.94                                     |
| Recovery from Salary Payable to Concerned Authorities   | 749.14                                       | 943.96                                       |
| Expenses Payable                                        | 1,643.75                                     | 1,717.21                                     |
| Contribution to SPMCIL Pension Trust Payable            | 65.28                                        | 72.66                                        |



| Particulars                                 | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|---------------------------------------------|----------------------------------------------|----------------------------------------------|
| Pensionary Charges Payable                  | 2.60                                         | 2.74                                         |
| Bank Book Overdraft                         | 1,519.84                                     | 175.28                                       |
| Interest Payable on Long Term Loan from Gol | 0.58                                         | -                                            |
| Gratuity Payable                            | -                                            | -                                            |
| <b>Total (b)</b>                            | <b>6,814.63</b>                              | <b>7,294.16</b>                              |

## Note 14

### Provisions

(Amount in ₹ lakhs)

| Particulars                         | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>(i) Non-Current Provisions</b>   |                                              |                                              |
| Other Provision                     |                                              |                                              |
| - Provision for Disputed Claims     | 36.92                                        | 5.00                                         |
| <b>Total Non-Current Provisions</b> | <b>36.92</b>                                 | <b>5.00</b>                                  |
| <b>(ii) Current Provisions</b>      |                                              |                                              |
| Other Provisions                    |                                              |                                              |
| - Other Short Term Provisions       | 3,712.22                                     | 6,405.36                                     |
| - Provision for Disputed Claims     | 83,043.21                                    | 78,496.30                                    |
| <b>Total Current Provisions</b>     | <b>86,755.43</b>                             | <b>84,901.66</b>                             |

## Note 15

### Employees Benefit Obligations

(Amount in ₹ lakhs)

| Particulars                                                           | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-----------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>(i) Non-Current Provisions</b>                                     |                                              |                                              |
| (a) Provision for Employee Benefits                                   |                                              |                                              |
| - Provision for Gratuity                                              | 18,442.89                                    | 15,893.95                                    |
| - Provision for Leave Encashment                                      | 26,285.39                                    | 25,564.03                                    |
| - Provision for Pensionary Charges Contribution                       | -                                            | -                                            |
| - Provision for Leave Salary Contribution                             | -                                            | -                                            |
| - Provision for Ex-Gratia                                             | 51.29                                        | 51.29                                        |
| - Provision for Post Retirement Medical Benefits                      | 10,459.34                                    | 7,533.45                                     |
| - Provision for Pension Trust Liability                               | 97,799.95                                    | 99,937.06                                    |
| <b>Total Non-Current Employees Benefit Obligations</b>                | <b>1,53,038.87</b>                           | <b>1,48,979.79</b>                           |
| <b>(ii) Current Provisions</b>                                        |                                              |                                              |
| (a) Provision for Employee Benefits                                   |                                              |                                              |
| - Provision for Leave Salary and Pensionary Charges                   | 42.35                                        | 42.84                                        |
| - Provision for Gratuity                                              | 3,027.58                                     | 2,239.59                                     |
| - Provision for Ex-Gratia / Bonus                                     | 461.54                                       | 330.51                                       |
| - Provision for Leave Encashment                                      | 5,083.41                                     | 3,948.90                                     |
| - Provision for Compensation in Lieu of<br>Compassionate Appointments | 442.98                                       | 529.69                                       |





| Particulars                                        | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|----------------------------------------------------|----------------------------------------------|----------------------------------------------|
| - Provision for PRP Payable 2016-17                | -                                            | -                                            |
| - Provision for PRP 16-17 & 17-18                  | -                                            | -                                            |
| - Provision for Pension Trust Liability            | 8,180.42                                     | 7,530.90                                     |
| - Provision for Post Retirement Medical Benefits   | 819.77                                       | 843.15                                       |
| - PRP Payable                                      | 753.12                                       | 1,152.12                                     |
| - Provision for PRC 16-17 & 17-18                  | -                                            | -                                            |
| - Provision for PRP 2018-19 & 2019-20              | 791.37                                       | -                                            |
| - Other Employees Benefits Short-term Provisions   | 173.42                                       | 266.89                                       |
| - Arrears 3 <sup>rd</sup> PRC                      | -                                            | -                                            |
| <b>Total Current Employees Benefit Obligations</b> | <b>19,775.98</b>                             | <b>16,884.58</b>                             |

## Note 16

### Other Non-Current Liabilities

(Amount in ₹ lakhs)

| Particulars                                                    | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|----------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Other Non-Current Liabilities (Diff. amount Received From RBI) | 26,624.79                                    | 11,336.16                                    |
| <b>Total Non-Current Liabilities</b>                           | <b>26,624.79</b>                             | <b>11,336.16</b>                             |

## Note 17

### Other Current Liabilities

(Amount in ₹ lakhs)

| Particulars                                           | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Employee's Claim                                      | 4.07                                         | 8.29                                         |
| Advances from Customer                                | 35,254.97                                    | 30,395.10                                    |
| Current Portion Long-term Borrowings                  | -                                            | -                                            |
| Security Deposit of Supplier/Vendors                  | 119.75                                       | 28.27                                        |
| Payable to PAO                                        | 22.68                                        | 22.61                                        |
| Statutory Dues Payable                                | 4,722.04                                     | 7,944.98                                     |
| Octroi Payable                                        | -                                            | -                                            |
| Salaries and Wages and Other Employee Benefit Payable | 26.86                                        | 5.03                                         |
| Recovery from Salary Payable to Concerned Authorities | 90.82                                        | 31.82                                        |
| Expenses Payable                                      | 146.92                                       | 989.97                                       |
| Contribution to SPMCIL Pension Trust Payable          | 12.08                                        | 57.96                                        |
| Pensionary Charges Payable                            | 137.42                                       | 108.81                                       |
| Bank Book Overdraft                                   | 488.97                                       | 235.47                                       |
| Other Current Liabilities                             | 1,130.96                                     | 299.84                                       |
| Capital Goods Creditors                               | -                                            | -                                            |
| Claim Difference                                      | 4.44                                         | 4.51                                         |
| Gratuity Withheld                                     | 0.22                                         | 0.22                                         |
| <b>Total Other Current Liabilities</b>                | <b>42,162.19</b>                             | <b>40,132.87</b>                             |



## Note 18

### Revenues

(Amount in ₹ lakhs)

| Particulars                                             | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|---------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| <b>(A) Sale of Products</b>                             |                                                   |                                                   |
| - Sale of Notes                                         | 2,05,995.85                                       | 2,41,918.95                                       |
| - Sale of Coins                                         | 1,43,514.54                                       | 1,84,617.59                                       |
| - Sale of Medals and Commemorative Coins                | 4,593.18                                          | 5,505.37                                          |
| - Sale of Ink                                           | 2,389.22                                          | 6,967.13                                          |
| - Sale of Passport & Allied                             | 49,649.14                                         | 47,224.13                                         |
| - Sale of Postal Items                                  | 3,078.71                                          | 2,093.88                                          |
| - Sale of Non Postal Items                              | 6,516.67                                          | 4,486.04                                          |
| - Sale of NJSP                                          | 50,565.12                                         | 51,000.48                                         |
| - Sale -Others                                          | 15,927.85                                         | 17,049.11                                         |
| <b>Total (A)</b>                                        | <b>4,82,230.28</b>                                | <b>5,60,862.68</b>                                |
| <b>(B) Sale of Services</b>                             |                                                   |                                                   |
| - Job Work                                              | 554.89                                            | 883.50                                            |
| - Other Service                                         | 24.21                                             | 11.61                                             |
| <b>Total (B)</b>                                        | <b>579.09</b>                                     | <b>895.10</b>                                     |
| <b>(C) Other Operating Revenue</b>                      |                                                   |                                                   |
| - Sale of scrap                                         | 15,579.73                                         | 9,203.64                                          |
| - Other Operating Activities                            | 426.57                                            | 172.13                                            |
| - Rate Difference Circulating Coins                     | (2,189.01)                                        | -                                                 |
| - Rate Difference                                       | (19.76)                                           | -                                                 |
| <b>Total (C)</b>                                        | <b>13,797.53</b>                                  | <b>9,375.78</b>                                   |
| <b>Total Revenue from Continuing Operations (A+B+C)</b> | <b>4,96,606.90</b>                                | <b>5,71,133.56</b>                                |

## Note 19

### Other Income

(Amount in ₹ lakhs)

| Particulars                                                                   | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|-------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| <b>(a) Interest Income</b>                                                    |                                                   |                                                   |
| - Interest Income                                                             | 11,175.61                                         | 6,644.33                                          |
| <b>TOTAL (A)</b>                                                              | <b>11,175.61</b>                                  | <b>6,644.33</b>                                   |
| <b>(b) Dividend Income</b>                                                    |                                                   |                                                   |
| - Dividend Income                                                             | 4,000.00                                          | 23.18                                             |
| <b>TOTAL (B)</b>                                                              | <b>4,000.00</b>                                   | <b>23.18</b>                                      |
| <b>(c) Other Income (Net of Expense directly attributable to such Income)</b> |                                                   |                                                   |
| - Foreign Exchange Fluctuation Gains/ (Loss)                                  | (28.80)                                           | 367.93                                            |
| - Profit on Sale of Fixed Assets                                              | 0.59                                              | 16.51                                             |
| - Other Income                                                                | 1,254.94                                          | 2,357.01                                          |
| - Provisions/Liabilities Written Back                                         | 4,627.89                                          | 1,983.80                                          |
| - Rate Difference Postal Items                                                | -                                                 | -                                                 |
| <b>TOTAL (C)</b>                                                              | <b>5,854.61</b>                                   | <b>4,721.29</b>                                   |
| <b>Total Other Income (A+B+C)</b>                                             | <b>21,030.21</b>                                  | <b>11,388.81</b>                                  |



## Note 20

### Cost of Materials Consumed

(Amount in ₹ lakhs)

| Particulars                             | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|-----------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Cost of Material Consumed               | 2,37,230.79                                       | 2,29,468.03                                       |
| <b>Total cost of materials consumed</b> | <b>2,37,230.79</b>                                | <b>2,29,468.03</b>                                |

## Note 21

### Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress

(Amount in ₹ lakhs)

| Particulars                                                                                      | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|--------------------------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| <b>Opening Balance</b>                                                                           |                                                   |                                                   |
| Work in Progress                                                                                 | 37,020.88                                         | 56,976.57                                         |
| Finished Goods                                                                                   | 22,136.06                                         | 44,108.57                                         |
| Goods in Transit                                                                                 | 4,580.20                                          | 2,278.86                                          |
| Scrap                                                                                            | 3,503.15                                          | 5,573.83                                          |
| <b>Total Opening Balance (A)</b>                                                                 | <b>67,240.29</b>                                  | <b>1,08,937.84</b>                                |
| <b>Closing Balance</b>                                                                           |                                                   |                                                   |
| Work in Progress                                                                                 | 61,144.91                                         | 37,020.88                                         |
| Finished Goods                                                                                   | 48,389.69                                         | 22,136.06                                         |
| Goods in Transit                                                                                 | -                                                 | 4,580.20                                          |
| Scrap                                                                                            | 2,269.34                                          | 3,503.15                                          |
| <b>Total Closing Balance (B)</b>                                                                 | <b>1,11,803.93</b>                                | <b>67,240.29</b>                                  |
| <b>Total changes in Inventories of Finished Goods, Stock in Trade and Work in Progress (A-B)</b> | <b>(44,563.65)</b>                                | <b>41,697.55</b>                                  |

## Note 22

### Employee Benefit Expense

(Amount in ₹ lakhs)

| Particulars                                    | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Salaries, Wages and Allowances                 | 68,499.34                                         | 68,549.44                                         |
| Overtime                                       | 14,419.93                                         | 18,483.26                                         |
| Incentive                                      | 12,852.81                                         | 14,476.16                                         |
| LTC                                            | 226.04                                            | 360.93                                            |
| Medical                                        | 2,737.82                                          | 2,598.58                                          |
| Employer Contribution to EPF                   | 3,987.72                                          | 3,889.52                                          |
| Leave Salary & Pensionary Charges Contribution | 2,681.14                                          | 795.83                                            |
| Cotribution to SPMCIL Pension Trust            | 1,668.40                                          | 1,816.29                                          |
| Leave Encashment                               | 7,861.60                                          | 7,239.61                                          |
| Gratuity                                       | 7,807.27                                          | 3,450.88                                          |
| Staff Welfare Expenses                         | 56.90                                             | 273.22                                            |
| Other Employee Benefits                        | 1,900.34                                          | 2,254.82                                          |
| Post Retirement Medical Benefits               | 3,848.15                                          | 2,996.82                                          |
| Pension Trust Liability                        | -                                                 | -                                                 |
| <b>Total Employee Benefit Expenses</b>         | <b>1,28,547.46</b>                                | <b>1,27,761.01</b>                                |





## Note 23

### Finance Cost

(Amount in ₹ lakhs)

| Particulars                     | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|---------------------------------|---------------------------------------------------|---------------------------------------------------|
| Interest Cost                   | 3,099.93                                          | 1,860.64                                          |
| Interest Cost on Loan from Bank | 0.58                                              | -                                                 |
| <b>Total</b>                    | <b>3,100.51</b>                                   | <b>1,860.64</b>                                   |

## Note 3 & 4

### Depreciation and Amortization Expense

(Amount in ₹ lakhs)

| Particulars                                   | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|-----------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Depreciation on Property, Plant and Equipment | 13,256.43                                         | 12,739.30                                         |
| Amortisation of Intangible Assets             | 25.81                                             | 102.44                                            |
| <b>Total</b>                                  | <b>13,282.25</b>                                  | <b>12,841.74</b>                                  |

## Note 24

### Other Expenses

(Amount in ₹ lakhs)

| Particulars                                   | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|-----------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| <b>(A) Other Manufacturing Expenses</b>       |                                                   |                                                   |
| - Consumption of Stores, Spare and Components | 10,124.87                                         | 9,436.73                                          |
| - Power, Fuel and Water                       | 7,971.01                                          | 7,778.39                                          |
| - Repairs & Maintenance to Machinery          | (247.72)                                          | 959.50                                            |
| - Repairs & Maintenance to Factory Building   | 551.96                                            | 999.00                                            |
| - Packing Expenses                            | 1,487.84                                          | 1,551.27                                          |
| - Other Manufacturing Costs                   | 748.03                                            | 1,443.94                                          |
| <b>Total (A)</b>                              | <b>20,635.99</b>                                  | <b>22,168.82</b>                                  |
| <b>(B) Administrative Expenses</b>            |                                                   |                                                   |
| - Advertisement                               | 239.05                                            | 185.89                                            |
| - Commission (Auction & Other)                | 436.68                                            | 249.90                                            |
| - Audit fees                                  | 50.74                                             | 67.56                                             |
| - Bank charges                                | 6.61                                              | 4.02                                              |
| - Bad debts written off                       | -                                                 | 2.20                                              |
| - Conveyance Expenses                         | 0.47                                              | 0.52                                              |
| - Canteen Expenses (Net of Receipts)          | 239.18                                            | 223.57                                            |
| - Dispensary Expenses                         | 107.80                                            | 84.54                                             |
| - Environmental Charges                       | 67.85                                             | 45.48                                             |
| - Fees & Honorarium                           | 29.81                                             | 41.94                                             |
| - Freight Outward                             | 975.43                                            | 1,488.57                                          |
| - Foreign Exchange Fluctuation Loss           | (87.11)                                           | 92.17                                             |
| - Grants in Aid Expenses                      | 1.97                                              | 2.45                                              |
| - Loss on Sale/Discard of Assets              | 24.97                                             | (0.01)                                            |
| - L&B Expenses                                | 11.72                                             | 16.60                                             |
| - Guest House Expenses (Net of Receipts)      | 59.11                                             | 45.74                                             |



| Particulars                                            | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|--------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| - Hiring of Staff                                      | 2,630.58                                          | 2,469.06                                          |
| - Horticulture Expenses                                | 65.88                                             | 64.68                                             |
| - Hospitality & Entertainment Expenses                 | 54.08                                             | 16.64                                             |
| - Legal & Professional Charges                         | 916.23                                            | 732.09                                            |
| - Meeting Expenses                                     | 40.99                                             | 79.93                                             |
| - Misc Expenses                                        | 215.59                                            | 171.23                                            |
| - Office Expenses                                      | 354.01                                            | 199.56                                            |
| - Postage & Courier Expenses                           | 43.85                                             | 36.00                                             |
| - Printing & Stationery Expenses                       | 77.49                                             | 99.28                                             |
| - Research & Development Expenses                      | 198.13                                            | 83.82                                             |
| - Repair & Maintenance - Building                      | 926.78                                            | 593.81                                            |
| - Repair & Maintenance - Computers                     | 231.75                                            | 384.07                                            |
| - Repair & Maintenance - Others                        | 871.09                                            | 675.37                                            |
| - Rent                                                 | 765.90                                            | 823.07                                            |
| - Insurance                                            | 673.70                                            | 600.07                                            |
| - Rates & Taxes                                        | 361.74                                            | 4,802.04                                          |
| - Security Charges                                     | 16,828.23                                         | 15,699.86                                         |
| - Seminar & Training Expenses                          | 166.54                                            | 91.46                                             |
| - Service Tax / Sales Tax paid                         | 579.86                                            | 3,213.36                                          |
| - Subscription, Newspaper, Books & Periodicals         | 15.81                                             | 15.58                                             |
| - Sustainable Development                              | -                                                 | 0.05                                              |
| - Telephone & Internet Charges                         | 140.55                                            | 196.08                                            |
| - Travelling & Conveyance Expenses                     | 751.03                                            | 704.40                                            |
| - Travelling Expenses- Foreign                         | 210.69                                            | 101.59                                            |
| - Uniform & Liveries                                   | 6.36                                              | 14.19                                             |
| - Corporate Social Responsibility Expenses (CSR)       | 907.21                                            | 389.91                                            |
| - Vehicle Hiring/Maintenance Charges                   | 245.89                                            | 296.22                                            |
| - Water & Electricity Charges                          | 456.46                                            | 465.01                                            |
| - Other Expenditure                                    | 750.27                                            | 859.24                                            |
| - Excise Duty Paid / Custom duty                       | 37.82                                             | 37.88                                             |
| - Interest and Penalty                                 | 5.31                                              | 9.51                                              |
| - Expense for Disputed Claims                          | 1,163.47                                          | 5,846.47                                          |
| <b>TOTAL (B)</b>                                       | <b>32,857.54</b>                                  | <b>42,322.67</b>                                  |
| <b>(C) Provisions Created During the Year</b>          |                                                   |                                                   |
| - Provision for Trade Receivables                      | 1,655.90                                          | 575.38                                            |
| - Provision for Obsolete/Non-Moving Inventory/Shortage | -                                                 | 111.44                                            |
| - Provision for Rate Differences of Bank Notes         | -                                                 | -                                                 |
| - Provision for Pension Trust Liability                | 22,178.68                                         | 22,831.26                                         |
| - Provision for Disputed Claims                        | 32.62                                             | -                                                 |
| <b>Total (C)</b>                                       | <b>23,867.20</b>                                  | <b>23,518.08</b>                                  |
| <b>Total Other Expenses (A+B+C)</b>                    | <b>77,360.73</b>                                  | <b>88,009.57</b>                                  |



## Note 24(a)

### Auditors' Remuneration

(Amount in ₹ lakhs)

| Particulars                         | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|-------------------------------------|---------------------------------------------------|---------------------------------------------------|
| <b>(A) Statutory Auditors</b>       |                                                   |                                                   |
| (i) Statutory Audit Fee             | 3.50                                              | 3.50                                              |
| (ii) Tax Audit Fee                  | 2.19                                              | 2.63                                              |
| <b>Sub-Total (A)</b>                | <b>5.69</b>                                       | <b>6.13</b>                                       |
| <b>(B) Branch Auditors</b>          |                                                   |                                                   |
| (i) Statutory Audit Fee             | 20.25                                             | 20.25                                             |
| (ii) Tax Audit Fee                  | 12.66                                             | 24.35                                             |
| <b>Total</b>                        | <b>32.91</b>                                      | <b>44.60</b>                                      |
| (iii) Other Services                | 8.90                                              |                                                   |
| <b>Sub-Total (B)</b>                | <b>41.81</b>                                      | <b>44.60</b>                                      |
| <b>Auditors' Remuneration (A+B)</b> | <b>47.50</b>                                      | <b>50.73</b>                                      |

## Note 25

### Provisions, Contingent Liabilities & Contingent Assets – Ind AS-37

Contingent Liabilities as per Ind AS-37 are as follows:

(Amount in ₹ lakhs)

| Contingent Liabilities and Commitments<br>(to the extent not provided for)                                      | As at 31 <sup>st</sup> March<br>2020 | As at 31 <sup>st</sup> March<br>2019 |
|-----------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>(I) Contingent Liabilities</b>                                                                               |                                      |                                      |
| (i) Claims against the company not acknowledged as debt (excluding the cases where amounts are unascertainable) | 43,666.17                            | 41,226.03                            |
| (iii) Bank Guarantees & Letters of Credit issued by Banks                                                       | 3,955.67                             | 2,925.54                             |
| <b>Total (I)</b>                                                                                                | <b>47,621.84</b>                     | <b>44,151.57</b>                     |
| <b>(II) Commitments</b>                                                                                         |                                      |                                      |
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for              | 8,958.82                             | 116.75                               |
| <b>Total (II)</b>                                                                                               | <b>8,958.82</b>                      | <b>116.75</b>                        |
| <b>Grand Total (₹) (I+II)</b>                                                                                   | <b>56,580.66</b>                     | <b>44,268.32</b>                     |

- (a) The Cases filed by employees/workers/suppliers are being contested and accordingly, no provision is considered necessary. The Cases regarding taxes are also being contested before various appellate forums and accordingly, no provision is considered necessary.
- (b) The unit has filed a writ petition with Hon'ble High Court at Calcutta challenging the levy of entry tax as per West Bengal Entry Tax Act, 2012. The Hon'ble single bench adjourned the case sine die. On the same levy of entry tax in another case, the single bench of the Hon'ble High Court at Calcutta vide judgement and order dated June 24, 2013 has declared that the West Bengal Entry Tax Act, 2012 is ultra vires. The unit has sought a legal opinion and as per the opinion received by the unit dated May 17, 2013, May 30, 2017 and May 29, 2018, the Unit has not paid/provided for entry tax from June 01, 2013. The Unit has filed an application for tagging entry tax case with main writ petition which is pending at "Divisional Bench".





## Note 26

Section 115BAA was introduced by the Government of India through the Taxation Laws (Amendment) Act, 2019 on the 20<sup>th</sup> of September 2019 to give benefit of a reduced corporate tax rate for the domestic companies. It states that domestic companies have the option to pay tax at a rate of 25.168% instead of the present 34.944%, on compliance of certain conditions as specified therein. The company has opted for the benefit of section 115BAA of the Income Tax Act 1961, effective from FY 2019-20. Accordingly, the taxable income has been calculated in accordance with the conditions specified in the section and tax provisions have been made as per the reduced rate of 25.168%.

## Note 27

The CBDT Circular No. F.No.91/58/66-ITJ(19), dated 18.05.1967, permits deduction for the sums paid on account of any cess, levied on the profits of any business, since the Select Committee decided to omit the word 'cess' as introduced in the Parliament in clause 40 (a) (ii) of the Income Tax Act 1961. The Company has therefore, considered the education cess and allied cess as allowable business expenditure from its taxable income for the financial year 2019-20 and liability for income tax has been determined in line with above circular.

## Note 28

### Disclosure pertaining to Micro, Small and Medium Enterprises

The Management identifies the enterprises which have provided goods and services to the company and which qualify under the definition of Micro, Small and Medium Enterprises (MSME) as defined under Micro, Small and Medium Enterprises development Act, 2006. Accordingly, the disclosure in respect of amount payable to such enterprises as at 31<sup>st</sup> March 2020 has been made in the financial statements (as disclosed in Note No. 13(ii) Trade Payables) on the basis of information received and available with the company.

Amount in ₹ lakhs

| S. No. | Particulars                                                                                                                                                                                                    | As at 31 <sup>st</sup> March 2020 | As at 31 <sup>st</sup> March 2019 |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| 1      | The principal amount remaining unpaid to suppliers as at the end of the Year                                                                                                                                   | 360.09                            | 373.24                            |
| 2.     | The amount of interest accrued during the year and remaining unpaid at the end of the Year                                                                                                                     | Nil                               | Nil                               |
| 3.     | The amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during the Year                                                         | Nil                               | Nil                               |
| 4.     | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act. | Nil                               | Nil                               |

## Note 29

### Fixed Assets

- As per the decision of Government of India, all the Assets and Liabilities of nine units as on 10.02.2006 have been transferred to the Company at book value. Accordingly, all assets and liabilities prevailing as on 09.02.2006 were taken over on 10.02.2006 in the books of the Company on historic cost basis as per books of account of the Units of Government of India.
- Pursuant to the enactment of Companies Act, 2013, the company has applied the estimated useful lives as specified in Schedule-II, except



in respect of certain assets as disclosed in Accounting Policy on Depreciation & Amortization. Accordingly, the unamortized carrying value is being depreciated / amortized over the remaining useful lives.

### **Note 30**

#### **Precious Metals at Mints**

Mints at Mumbai, Kolkata and Hyderabad have stocks of gold, silver and other precious metals which are more than 10 years old required for manufacturing of medals in very moderate quantity. There is a sound system of maintaining records and ensuring physical safety of the metals. Detailed break-up of each category of metal with fineness details are available in the units. Value of these metals has been taken as per book value which is lower than the net realizable value of the same. As there is a very moderate consumption of these materials in current production, company has initiated steps to dispose off these metals lying at units.

### **Note 31**

#### **Withdrawn Coins**

Withdrawn coins/un current coins are held by Mints on behalf of Ministry of Finance. These coins are melted by SAIL and coin blanks of equivalent weight are given to the mints by SAIL. Mints make payment of these coin blanks to SAIL after deducting value of withdrawn coins. The amount of sale of coins made from these coin blanks is remitted to Government of India after deducting and adjusting all the expenditure involved in melting and service charges of SPMCIL.

### **Note 32**

#### **Employee Benefits - Ind AS -19**

Most of the Employees of the company were on deemed deputation from Government of India. On 15.09.2008, a tripartite agreement was signed between the Government of India, Company and the representatives of the various unions. Option was given to employees who were on deemed deputation to opt for the Company or Government of India as per Rule 37-A of Central Civil Services

(Pension) Rules, 1972. Permanent absorption has been notified by Govt. vide order No. 10/1/2009-SPMC dated 29.05.2009 w.e.f. 01.11.2008. Option to join the Company was exercised by 14256 employees.

#### **Defined Contribution Plans**

- a) **Employee Provident Fund (EPF)** : For EPF, a trust has been established and exemption has been granted by Employees Provident Fund Organization (EPFO) since December, 2009. The trust became operational w.e.f. April, 2010 and all cases pertaining to employees provident fund matter are being looked after by Trust. The Company pays fixed contribution to provident fund at predetermined rates to the trust, which invests the funds in permitted securities as per investment pattern stipulated by Ministry of Labour. Contribution to family pension scheme is paid to the Employee Provident Fund Organization (EPFO). The contribution is recognized as expense and is charged to Profit and Loss account.
- b) **General Provident Fund (GPF)** : For GPF, a trust has been established in the month of March, 2011. From 1<sup>st</sup> April 2011 onwards, employee's contribution is being made to the Trust. There is only employee contribution in this fund and therefore, no amount is recognized as expenses in Profit and Loss account.

#### **Defined Benefits Plans**

- a) **Pension** : Pension will be paid to Combined Pension Optees from the Company Employees Pension Fund Trust constituted by Government of India. Provisions for pension contribution to the trust in respect of the Combined 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 × last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹20 Lakh on superannuation, resignation, termination, disablement or on death during the entire tenure of service. The Liability for the same is recognized on the basis of actuarial valuation.

The Company has also permitted to en-cash earned leave to the extent of 50% of balance at credit once in a calendar year subject to the balance at credit should not be less than 30 days after encashment and subject to maximum accumulation of 300 days. The Liability for the same is recognized on the basis of actuarial valuation.

**d) Earned and Half Pay Leave:** The Company provides for earned leave benefit and half pay leave to the employees of the Company which accrues at 15 days and 10 days respectively at the end of half year. Earned leaves are encashable up to a maximum of 300 days on separation. Half pay leave is encashable only on separation but subject to maximum of 300 days for both earned leave and half pay leave.

**e) Post-Retirement Medical Benefits:** The Company has Post-Retirement Medical Scheme under which eligible ex-employees are provided medical facilities on the sole discretion of the employee upon payment of one time prescribed contribution. The liability for the same is recognized on the basis of actuarial valuation.

**f) As per Ind AS 19 “Employee Benefits”, the disclosure as defined is given below:**

(Amount in ₹ lakhs)

| Sl. No.                    | Particulars                                                                  | Gratuity   |            | Leave      |            | Post Retirement Medical Benefits |          |
|----------------------------|------------------------------------------------------------------------------|------------|------------|------------|------------|----------------------------------|----------|
|                            |                                                                              | 31.03.20   | 31.03.19   | 31.03.20   | 31.03.19   | 31.03.20                         | 31.03.19 |
| Defined Contribution Plans |                                                                              |            |            |            |            |                                  |          |
| Defined Benefit Plans      |                                                                              |            |            |            |            |                                  |          |
| A                          | Reconciliation of Opening and Closing Balances of Defined Benefit Obligation |            |            |            |            |                                  |          |
|                            | Defined Benefit Obligation at beginning of the year                          | 18,133.54  | 16,656.49  | 29,408.50  | 27,347.18  | 8,481.02                         | 6,120.52 |
|                            | Current Service Cost                                                         | 2,077.37   | 1,874.20   | 1,545.32   | 1,387.48   | 1,401.23                         | 1,351.15 |
|                            | Interest Cost                                                                | 1,331.00   | 1,232.58   | 2,158.58   | 2,023.69   | 622.51                           | 452.92   |
|                            | Actuarial (Gain)/Loss                                                        | 2,087.19   | (201.70)   | 3,788.34   | 3,350.70   | 1,543.22                         | 1,191.45 |
|                            | Benefits Paid                                                                | (2,158.63) | (1,428.03) | (5,531.93) | (4,700.55) | (768.87)                         | (635.02) |
|                            | Defined Benefit Obligation at the year end                                   | 21,470.47  | 18,133.54  | 31,368.81  | 29,408.50  | 11,279.11                        | 8481.02  |
| B                          | Reconciliation of opening and closing balances of fair value of Plan Assets  |            |            |            |            |                                  |          |
|                            | Fair value of plan assets at the beginning of the period                     | –          | –          | –          | –          | –                                | –        |
|                            | Actual return on plan assets                                                 | –          | –          | –          | –          | –                                | –        |
|                            | Employer contribution                                                        | –          | –          | –          | –          | –                                | –        |
|                            | Benefits paid                                                                | –          | –          | –          | –          | –                                | –        |
|                            | Fair value of plan assets at the end of the period                           | –          | –          | –          | –          | –                                | –        |





| S. No.                                    | Particulars                                          | Gratuity   |          | Leave      |          | Post Retirement Medical Benefits |          |
|-------------------------------------------|------------------------------------------------------|------------|----------|------------|----------|----------------------------------|----------|
|                                           |                                                      | 31.03.20   | 31.03.19 | 31.03.20   | 31.03.19 | 31.03.20                         | 31.03.19 |
| C                                         | Actuarial assumptions                                |            |          |            |          |                                  |          |
|                                           | Discount Rate (per annum)                            | 6.14       | 7.34     | 6.14       | 7.34     | 6.14                             | 7.34     |
|                                           | Expected rate of return on Plan Assets (per annum)   | -          | -        | -          | -        | -                                | -        |
|                                           | Future Salary/cost Increase (per annum)              | 7.50       | 7.50     | 7.50       | 7.50     | 5.00                             | 5.00     |
| D                                         | Sensitivity Analysis                                 | 31.03.2020 |          | 31.03.2020 |          | 31.03.2020                       |          |
| (a) Impact of the change in discount rate |                                                      |            |          |            |          |                                  |          |
|                                           | Present Value of Obligation at the end of the period | 21,470.47  |          | 31,368.81  |          | 11,279.11                        |          |
|                                           | Impact due to increase of 0.50 %                     | (713.41)   |          | (990.32)   |          | (273.76)                         |          |
|                                           | Impact due to decrease of 0.50 %                     | 771.76     |          | 1,063.76   |          | 285.66                           |          |
| (b) Impact of the change in salary        |                                                      |            |          |            |          |                                  |          |
|                                           | Present Value of Obligation at the end of the period | 21,470.47  |          | 31,368.81  |          | -                                |          |
|                                           | Impact due to increase of 0.50 %                     | 701.04     |          | 1,044.78   |          | -                                |          |
|                                           | Impact due to decrease of 0.50 %                     | (679.58)   |          | (982.63)   |          | -                                |          |

## Note 33

### Operating Segments – Ind AS -108

In the opinion of management, the company has no operating/reportable segment as envisaged in Ind AS-108 as the risks and returns associated with product categories are not different. About 90% of the sale of products during the year has been supplied to various Ministries of Government of India on cost plus reasonable return on capital employed basis. Further, the Company is engaged in sovereign function of manufacturing of security products.

## Note 34

### Related Party Disclosures - Ind AS - 24

List and Transactions of related parties as per Ind

AS - 24 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India:

| Name of Party                             | Relationship             |
|-------------------------------------------|--------------------------|
| A. Bank Note Paper Mill India Private Ltd | Joint Venture (JV)       |
| B. Post Retirement Benefit Trusts :       |                          |
| i) SPMCIL EPF Trust                       | Retirement benefit trust |
| ii) SPMCIL Pension Trust                  | Retirement benefit trust |
| iii) SPMCIL PF Trust                      | Retirement benefit trust |
| iv) President of India                    | Shareholder              |

### (a) Transactions with JV:

The company has entered into a Joint Venture



Agreement with Bhartiya Reserve Bank Note Mudran Private Limited (BRBNMPL), a wholly owned subsidiary of Reserve Bank of India to set up a security paper mill at Mysore with 50% participation in equity by each Joint Venture partners by forming a company under the Companies Act, 1956 on 13.10.2010. The company has contributed a sum of ₹40,000 Lakh towards 50% capital contribution. Company has been allotted 40,00,00,000 equity shares of ₹10 each aggregating to ₹40,000 lakh till 31.03.2020.

**i. Proportion of ownership in Joint Venture as per unaudited accounts for the Financial Year 2019-20 is as under (50%):**

(Amount in ₹ lakhs)

| Particulars                    | As on<br>31.03.2020<br>(Unaudited) | As on<br>31.03.2019<br>(Audited) |
|--------------------------------|------------------------------------|----------------------------------|
| a) Contribution towards Equity | 40,000                             | 40,000                           |
| b) Deputation of Employee Cost | -                                  | -                                |

**ii. Claims against the company not acknowledged as debt (50% Liability):**

(Amount in ₹ lakhs)

| Particulars                                                                                   | As on<br>31.03.2020<br>(Unaudited) | As on<br>31.03.2019<br>(Audited) |
|-----------------------------------------------------------------------------------------------|------------------------------------|----------------------------------|
| Pending outcome of Appeal before ITAT & High Court tax demand is not recognized as liability. | 174.94                             | -                                |

**iii. Unexpired commitments to the extent not provided (net of advances) (50% Liability):**

(Amount in ₹ lakhs)

| Particulars                                                                         | As on<br>31.03.2020<br>(Unaudited) | As on<br>31.03.2019<br>(Audited) |
|-------------------------------------------------------------------------------------|------------------------------------|----------------------------------|
| Unexpired commitments to the extent not provided for on capital and revenue account | 5,775.47                           | 1,051.44                         |

**iv. Transactions carried out with Bank Note Paper Mill India Private Ltd. (from BNPM financials):**

(Amount in ₹ lakhs)

| Particulars            | As on<br>31.03.2020<br>(Unaudited) | As on<br>31.03.2019<br>(Audited) |
|------------------------|------------------------------------|----------------------------------|
| Purchase of CWBN Paper | 23,440.63                          | 12,367.33                        |
| Sale of Security Fiber | -                                  | 121.51                           |
| Trade payables         | 2,599.38                           | 3,633.52                         |

**(b) Key Managerial Personnel:**

- Ms. Tripti P. Ghosh, Chairman and Managing Director (CMD) (from 01.05.2018)
- Shri Ajai Kumar Srivastav, Director (Technical) (From 29.08.2016)
- Shri Sunil Kumar Sinha, Director (HR) (From 01.09.2016)
- Shri Ajay Agarwal, Director (Finance) & Chief Financial Officer (CFO) (from 23.11.2017)
- Shri Sachin Agarwal, Company Secretary (CS) (From 23.09.2009)

There are no transactions with Key Managerial Personnel during the year, except as given below.

The gross remuneration to the full time-Directors of the Company and other Key Managerial Personnel is as under:

(Amount in ₹ lakhs)

| Name                     | Designation              | 2019-20       | 2018-19       |
|--------------------------|--------------------------|---------------|---------------|
| Ms. Tripti P. Ghosh      | CMD                      | 27.85         | 41.02         |
| Mr. Ajai Kumar Srivastav | Director (Technical)     | 54.81         | 63.64         |
| Mr. S.K. Sinha           | Director (HR)            | 68.72         | 61.88         |
| Mr. Ajay Agarwal         | Director (Finance) & CFO | 44.88         | 40.84         |
| Mr. Sachin Agarwal       | Company Secretary        | 16.46         | 17.22         |
| <b>TOTAL</b>             |                          | <b>212.72</b> | <b>224.60</b> |



**(c) Transactions with Retirement Benefit Trusts**

(Amount in ₹ lakhs)

| Particulars                                               | 2019-20          | 2018-19          |
|-----------------------------------------------------------|------------------|------------------|
| <b>Transactions with SPMCIL EPF Trust</b>                 |                  |                  |
| a. Monthly Contribution for FY 2019-20                    | 271.33           | 241.48           |
| b. Payment made to M/s Darashaw Investment Advisor        | 16.70            | 11.15            |
| c. Audit Fee                                              | 0.24             | 0.24             |
| d. Payment of AMC for EPF Software                        | 1.39             | 2.59             |
| e. Misc. Expenses                                         | 0.72             | 2.51             |
| <b>Total (a to e) (A)</b>                                 | <b>290.38</b>    | <b>257.97</b>    |
| <b>Transactions with SPMCIL Pension trust</b>             |                  |                  |
| f. Monthly Contribution for FY 2019-20                    | 4.02             | 1.87             |
| g. Provision of Pension Payment for FY 2019-20            | 22,178.68        | 22,831.00        |
| h. Amount Paid During FY 2019-20                          | 21,252.26        | 10,066.00        |
| i. Unsecured Interest Free Loan given                     | 0.00             | 800.00           |
| <b>Total (f to i) (B)</b>                                 | <b>43,434.96</b> | <b>33,698.87</b> |
| <b>Total (A+B)</b>                                        | <b>43,725.34</b> | <b>33,956.84</b> |
| <b>Transactions with SPMCIL PF Trust</b>                  |                  |                  |
| j. Monthly contribution for FY 2019-20                    | 4.77             | 1.96             |
| <b>Total (j)</b>                                          | <b>4.77</b>      | <b>1.96</b>      |
| <b>Closing Balances of Trust (recoverable/ (payable))</b> |                  |                  |
| k. EPF Trust                                              | 243.55           | 0.00             |
| l. PF Trust                                               | 4.81             | 6.01             |
| m. Pension Trust                                          | (0.15)           | 438.85           |

**(d) Transaction with Major Shareholder**

(Amount in ₹ lakhs)

| Particulars       | 2019-20 | 2018-19 |
|-------------------|---------|---------|
| Buyback of Shares | 293.45  | -       |

There are no other transactions with related parties as defined in Ind AS-24.

**Note 35**

**Earnings Per Share - Ind AS-33**

| Particulars                                                  | 2019-20        | 2018-19        |
|--------------------------------------------------------------|----------------|----------------|
| Profit After Tax (in ₹ lakhs)                                | 54736.14       | 51712.34       |
| Weighted average number of equity shares used as denominator | 1,05,71,12,123 | 1,06,42,41,000 |
| Basic / Diluted Earnings per share (in ₹)                    | 5.18           | 4.86           |

**Note 36**

**Income Tax - Ind AS - 12**

The significant components and classification

of deferred tax Assets and Liabilities on account of temporary difference during the financial year 2019-20 are:

| Particulars                                            | (Amount in ₹ lakhs) |
|--------------------------------------------------------|---------------------|
| Opening Balance of Deferred Tax Assets                 | 94,435.67           |
| Add: Deferred Tax Assets (Net) created during the year | (23,983.56)         |
| Closing Balance of Deferred Tax Assets                 | 70,452.11           |

**Note 37**

Balances of some of the Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmations/reconciliations and consequential adjustment, if any.





Reconciliations are carried out on on-going basis. Provisions, wherever considered necessary, have been made. However, Management does not expect to have any material financial impact of such pending confirmations/reconciliations.

### Note 38

#### 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 39

#### Discontinued operations at Saifabad Unit (Discontinued IG Mint)

IGM, Hyderabad has discontinued minting operations of its Saifabad Unit, Hyderabad with effect from 01.11.2009. After review of the Fixed Assets Register (FAR) and physical verification of the assets, items which were fully depreciated and have no realizable value have been removed from FAR. Other items not further usable have been identified for disposal and disclosed as assets held for disposal under current assets. Remaining useful items have been transferred to Cherlapally location except land and building.

### Note 40

#### Expenditure incurred towards Corporate Social Responsibility & Sustainable Development

CSR amount required to be spent as per section 135 of the Company's Act, 2013 read with Schedule-VII, thereof, by the Company during the year is ₹1,573.44 lakh (Previous year ₹1,066.06 lakh).

During the year, the company has incurred an amount of ₹907.21 lakh (Previous Year ₹389.91 Lakh) on CSR. The details are as follows:

(Amount ₹ in lakhs)

| Sl. No. | CSR Project                             | 2019-20 | 2018-19 |
|---------|-----------------------------------------|---------|---------|
| 1       | Construction of Library / Reading Rooms | -       | 25.00   |
| 2       | Class Rooms / Toilets / Computers       | -       | 40.60   |

| Sl. No. | CSR Project                                            | 2018-19       | 2017-18       |
|---------|--------------------------------------------------------|---------------|---------------|
| 3       | Skill Development Training Program                     | 10.27         | 86.92         |
| 4       | Fixing Paver Block at School                           | -             | 8.11          |
| 5       | Surgical Equipment to Hospital                         | -             | 28.57         |
| 6       | Dialysis Machines to Hospital                          | 30.00         | -             |
| 7       | Providing Insulated Distribution Vessels to Foundation | 18.26         | -             |
| 8       | Providing Computers & Furniture to Hospital            | 11.32         | -             |
| 9       | Construction of Bridge                                 | -             | 14.47         |
| 10      | Mobile Clinic & Dental Chairs                          | 21.74         | 37.95         |
| 11      | Providing Medical Equipment & Buses to Hospital        | 146.82        | 45.28         |
| 12      | Braille Watches and Sound System for Blind School      | -             | -             |
| 13      | Equipment, Computers & Furniture for School            | -             | 97.34         |
| 14      | Contribution to National Sports Development Fund       | 100.00        | -             |
| 15      | Contribution to Prime Ministers Relief Fund            | 238.67        | -             |
| 16      | Assistance Devices for Divyangjan                      | 25.00         | -             |
| 17      | Remuneration of Third Party Evaluation Payment.        | 4.00          | 5.67          |
| 18      | Providing Underground Drainage System                  | 24.50         | -             |
| 19      | Ambulance to District Hospital                         | -             | -             |
| 20      | Building Community Center & Provision of Solar Lights  | 43.66         | -             |
| 21      | Providing Ventilators to AIIMS                         | 198.68        | -             |
| 22      | Nal Jal Yojna to 14 villages                           | 28.57         | -             |
| 23      | Administrative Expenses Towards Payment to Consultant  | 5.72          | -             |
|         | <b>Total</b>                                           | <b>907.21</b> | <b>389.91</b> |



## Note 41

### Events occurring after Balance Sheet Date—Ind AS 10

#### I. Events Occurring after Balance Sheet Date:

- (A) Vide letter dated 28.05.2020, Joint Director (C&C), Department of Economic Affairs, Ministry of Finance has conveyed the approval of the Hon'ble Finance Minister to the recommendations of the Office of the Chief Advisor Cost in respect of the Weighted Average Fair Selling Prices (FSP) of the circulation coins minted by four Mints of SPMCIL for the FY 2016-17 & FY 2017-18 respectively. As per the accounting policy of the company, the impact of change in rates is taken in the FY in which approval is conveyed. Accordingly, the impact of ₹18,661.83 lakhs, due to change in rates shall be booked during FY 2020-21.
- (B) Vide letters dated 06.05.2020 and 20.05.2020, approval for fair selling prices (FSP) for FY 2016-17 and FY 2017-18 for postal stationary items supplied by India Security Press, Nashik was communicated by the Chief Advisor Cost. As per the accounting policy of the company, the impact of change in rates is taken in the FY in which approval is conveyed. Accordingly, the impact of ₹954.52 lakhs, due to change in rates shall be booked during FY 2020-21.
- (C) Vide letter dated 22.04.2020, approval for Fair Selling prices (FSP) for FY 2015-16 for postal stationary items supplied by Security Printing Press, Hyderabad was communicated by the Chief Advisor Cost. As per the accounting policy of the company, the impact of change in rates is taken in the FY in which approval is conveyed. Accordingly, the impact of ₹2,614.74 lakhs, due to change in rates shall be booked during FY 2020-21.

#### II. Estimate Impact on Financial Statements:

- (A) Due to change in FSP of circulation coins, the revenue, trade receivables and Profit before Tax would have reduced by ₹18,661.83 lakh.
- (B) Due to change in FSP of postal stationery items, the revenue, trade receivables and profit before tax would have increase by ₹3,569.26 lakh.

## Note 42

### Recognition of Financial assets and Liabilities – Ind AS 32 & 109

#### a) Financial Assets at Amortized Cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognized in the Statement of Profit and Loss.

#### b) Financial assets at fair value through other comprehensive income:

Financial assets are measured at fair value if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the Statement of Profit and Loss. In respect of equity investments (other than for investment in subsidiaries and associates) which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Company on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.

#### c) Financial assets at fair value through profit or loss:

Financial assets are measured at fair value



through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognized in statement of profit and loss.

#### **Equity Instruments and Financial Liabilities:**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### **(i) Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

#### **(ii) Financial Liabilities**

##### **a) Initial Recognition and Subsequent Measurement**

Financial liabilities are recognized initially at fair value and in case of borrowing and payables, net of directly attributable cost.

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### **b) De-recognition of Financial Liabilities**

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, such an exchange is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### **Disclosures related to Financial Instruments including but not limited to–**

##### **i) Financial Instrument by category:**

(Amount in ₹ lakhs)

| Particulars                   | 31 <sup>st</sup> March 2020 |                | 31 <sup>st</sup> March 2019 |                |
|-------------------------------|-----------------------------|----------------|-----------------------------|----------------|
|                               | Carrying Amount             | Amortised Cost | Carrying Amount             | Amortised Cost |
| <b>Financial Assets:</b>      |                             |                |                             |                |
| Loans                         | 793.13                      | 793.13         | 910.78                      | 910.78         |
| Deposits & Receivable         | 5,871.50                    | 5,871.50       | 5,316.48                    | 5,316.48       |
| Trade Receivables             | 1,33,343.61                 | 1,33,343.61    | 1,72,810.55                 | 1,72,810.55    |
| Cash & Cash Equivalents       | 3,742.03                    | 3,742.03       | 12,291.81                   | 1,2291.81      |
| Other Bank Balances           | 2,00,017.86                 | 2,00,017.86    | 1,44,050.00                 | 1,44,050.00    |
| Receivables                   | 8,304.46                    | 8,304.46       | 15,191.27                   | 15,191.27      |
| Others                        | 8,942.33                    | 8,942.33       | 10,046.04                   | 10,046.04      |
| <b>Financial Liabilities:</b> |                             |                |                             |                |
| Borrowings                    | 0.00                        | 0.00           | 0.00                        | 0.00           |
| Trade Payables                | 26,847.67                   | 26,847.67      | 27,069.39                   | 27,069.39      |





| Particulars                        | 31 <sup>st</sup> March 2020 |                | 31 <sup>st</sup> March 2019 |                |
|------------------------------------|-----------------------------|----------------|-----------------------------|----------------|
|                                    | Carrying Amount             | Amortised Cost | Carrying Amount             | Amortised Cost |
| Security Deposit and Earnest Money | 1,208.43                    | 1,208.43       | 1,455.63                    | 1,455.63       |
| Employee Benefits                  | 2,837.69                    | 2,837.69       | 4,190.94                    | 4,190.94       |
| Expenses & Other Payable           | 25,530.77                   | 25,530.77      | 32,399.06                   | 32,399.06      |

## ii) Fair Value Measurement Hierarchy

Since there are no financial instruments values at "Fair Value through Profit & Loss Account (FVTPL)" or "Fair value through Other Comprehensive income (FVTOCI)" and all the financial instruments are valued at Amortised Cost there is only one measurement Hierarchy above and as such there is no separate disclosure.

## iii) Fair values of financial assets and liabilities measured at amortised cost

Table below shows Judgments and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements.

(Amount in ₹ lakhs)

| Particulars                   | 31 <sup>st</sup> March 2020 |                | 31 <sup>st</sup> March 2019 |                |
|-------------------------------|-----------------------------|----------------|-----------------------------|----------------|
|                               | Carrying Amount             | Amortised Cost | Carrying Amount             | Amortised Cost |
| <b>Financial Assets:</b>      |                             |                |                             |                |
| Loans                         | 793.13                      | 793.13         | 910.78                      | 910.78         |
| Deposits & Receivable         | 5,871.50                    | 5,871.50       | 5,316.48                    | 5,316.48       |
| <b>Financial Liabilities:</b> |                             |                |                             |                |
| Borrowings                    | 0.00                        | 0.00           | 0.00                        | 0.00           |

The carrying amounts of trade receivables, trade payables, Inter unit balances, short term deposits, cash and cash equivalents, employee benefit & other payable are considered to be the same as their fair values, due to their short- term nature.

The Company considers that the Security Deposits does not include a significant financing component. The Security Deposits coincide with the company's performance and the contract requires amounts to be retained for reasons other than the provision of finance. The withholding of a specified percentage of each milestone payment is intended to protect the interest of the company, from the contractor failing to adequately complete its obligations under the contract. Accordingly, transaction cost of Security deposit is considered as fair value at initial recognition and subsequently measured at amortised cost.

## iv) Financial Risk Management

In pursuant to the guidelines on Corporate Governance issued by the Department of Public Enterprise (DPE) and in accordance with the provisions of Companies Act 2013, The Company has formed SPMCIL Risk Management Policy -2018.

As per the Governance Structure of SPMCIL Risk Management Policy, a Corporate Risk Committee (CRC) has been constituted to be supported by Risk owners. The CRC shall review all risks reported by Risk Owners, identify the Key risks and report them to the Risk Management Committee (RMC) of the Board of Directors of the Company.

The Risk Management Committee will ensure that Risk management activities are undertaken as per the policy and appraise the Board on the key Risks faced by the organization and mitigation measures taken at HO level.



## Note 43

### Pension Fund Trust Liability

The details of liability towards pension & death cum retirement gratuity for 2019-20 is given below:

As per the actuarial valuation, total amount of liability towards pension and death cum retirement gratuity as on 31.03.2020 is ₹1,62,675.75 lakh. Shortfall after considering the plan assets amounting to ₹56,695.37 lakh as on 31.03.2020 is ₹1,05,980.38 lakh. Total amount of liability provided for in books of accounts till 31.03.2019 was ₹83,801.70 lakh. Therefore, total amount of shortfall to be provided for in books of accounts as on 31.03.2020 is ₹22,178.68 lakhs.

(Amount in ₹ lakhs)

| Sl. No. | Particulars                                              | As on 31.03.2020 | As on 31.03.2019 |
|---------|----------------------------------------------------------|------------------|------------------|
| 1       | Obligation of Pension and Death cum Retirement Gratuity  | 1,62,675.75      | 1,43,763.61      |
| 2       | Less: Fair value of plan assets of Pension Fund          | 56,695.37        | 36,295.66        |
| 3       | Shortfall [(1) - (2)]                                    | 1,05,980.38      | 1,07,467.95      |
| 4       | Liability provided for in earlier years (Net of payment) | 83,801.70        | 84,636.69        |
| 5       | Shortfall as at the end of year                          | 22,178.68        | 22,831.26        |

Amount of liability as on 31.10.2008 i.e. the date of absorption of Govt. employees to SPMCIL was paid by Ministry of Finance as per the Rule 37-A of the CCS (Pension) Rules, 1972 and liability was not settled on the basis of actuarial valuation. Therefore, Amount of liability towards pension and death cum retirement gratuity was recalculated as on 31.10.2008 on the basis of actuarial valuation. Amount of liability as on 31.10.2008 came out to be ₹37,330.85 Lakh. As the Ministry of Finance had paid an amount of ₹18,174 Lakh against this liability, matter has been taken up with Ministry of Finance to receive the balance amount of ₹19,157 lakh (i.e. ₹37,330 lakh – ₹18,174 lakh). This amount has not been accounted for as receivable from Ministry of Finance during FY 2019-20. Amount shall be accounted for in the year of receipt from Ministry of Finance.

## Note 44

### Slow Moving/ Non-Moving Inventory

Company is holding stock of slow and non-moving items. Valuation has been done at lower of cost or net realizable value. NRV has been ascertained in the units by forming a standing committee / condemnation committee having members from Stores, Finance and Technical committee.

## Note 45

### Gold Lying with RBI

85,555 Gms of Gold is lying with RBI. Out of the above, gold weighing 10,336 gms was already accounted for in 2006-2007, under the head Gold with RBI, The possession of which is with RBI. IG Mint Mumbai will be arranging to take over possession of the same. 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 the gold does not belong to the unit, and hence the same has not been considered in the accounts.

## Note 46

### Change in Accounting Policies (as per Ind AS-8)

#### I. Materiality

During the year, the Company has changed its accounting policy with respect to the defining Materiality in respect of Prior period errors.

#### (a) The change is as follows:

An item of income or expenditure of one or more prior periods is considered material if, it exceeds 0.5% of total revenue of the company, as per last year's audited financial statements in each such case.

Prior to this change in policy, the Company applied materiality concept on case to case basis.

Reason to adopt this materiality policy is to ensure that financial statements include all the financial information that could influence stakeholder's decisions.



(b) Impact of Change in Policy

i) Impact on previous year financial statements:

Due to change in policy, following retrospective adjustments have been made in the financials of Financial Year 2018-19:

(Amount in ₹ lakhs)

| Particulars                                                             | Figure as per audited balance sheet during previous year |
|-------------------------------------------------------------------------|----------------------------------------------------------|
| Performance Related Pay pertaining to Financial Year 2017-18.           | 500.00                                                   |
| Depreciation on plant & Machinery pertaining to Financial Year 2017-18. | 814.75                                                   |
| AMC of SAP pertaining to Financial Year 2017-18.                        | 133.98                                                   |
| <b>Total</b>                                                            | <b>1,448.73</b>                                          |

During the Financial Year 2018-19, the Impact of ₹1,448.73 Lakhs was taken in Financials of 2017-18 by restating the figures of Financial Year 2017-18. Now due to change in policy, the impact of ₹1,448.73 Lakhs has been taken in Financial Year 2018-19. Due to this restatement, the profit for Financial Year 2018-19 stands restated to ₹80,069.39 Lakh from ₹81,518.12 lakh. Further, the Earning Per share for FY 2018-19 stands restated to ₹4.87/- from ₹5.00/-.

ii) Impact on Current year financial statements:

The change in accounting policy of the company at 2.4.19 materiality of income / expenditure, Profit of the current financial year has increased by ₹1,169.43 Lakhs for which details are as under:

| Description                                        | Amount (₹ in lakhs) |
|----------------------------------------------------|---------------------|
| Machine cost booked to R&M instead of CWIP 2018-19 | (733.70)            |
| Freight outward reimbursed by BRBNMPL 2018-19      | (252.65)            |
| Provision reversed                                 | (152.17)            |

| Description                                | Amount (₹ in lakhs) |
|--------------------------------------------|---------------------|
| Interest on fixed deposit.                 | (396.27)            |
| Water charges                              | 22.68               |
| Common GST expenses reversal 2017-18       | 25.05               |
| Common GST expenses reversal 2018-19       | 11.05               |
| PRP Provision - 2017-18                    | 75.09               |
| PRP Provision - 2018-19                    | 82.60               |
| Loss on discard of asset                   | 25.17               |
| Advertisement expenses                     | 0.31                |
| Packing & forwarding expenses              | 0.43                |
| Provision for Rate difference-postal item  | 396.62              |
| Sales tax provision (2018-19 part payment) | 581.00              |
| Compassionate Appointment                  | 61.41               |
| Recovery CISF expenses                     | (86.63)             |
| Adjustment of Expenses of leave encashment | (696.00)            |
| Adjustment in Deferred Tax Asset           | (133.42)            |
| <b>Total</b>                               | <b>(1169.43)</b>    |

II. Revenue Recognition

During the year, the Company changed its accounting policy with respect to the revenue recognition from sale of currency notes.

(a) The change is as follows:

Prior to change in policy, in case of Bank Notes, revenue was recognized on the basis of rates approved by MoF as on year to year basis.

The revised policy is as follows:

Revenue is recognized at predetermined rates. The difference between the billing rates and the rates as approved by MoF on year to year basis, is accounted for in the Financial Year in which such rates are accepted by RBI.

Reason for Change :

The rates as approved by MoF are not being agreed upon by RBI for payment of the same.





Therefore, change in accounting policy is being made to be aligned with Ind AS 115. Revenue from sale of currency notes on revised rates will be accounted for on acceptance of same by customers, i.e RBI.

**(b) Impact of Change in Policy:**

**i) Impact on previous year financial statements:**

The selling rates of bank notes were approved by MoF for the years 2011-12 to 2014-15 and demand was raised on RBI for payment of ₹12,670 Lakhs being difference of selling price. RBI Central Board vide letter dated 16.07.2017 has not agreed for the rates approved by the Ministry and therefore the company has not recognised the revenue in accordance with the accounting policy. As per the changed policy there is no impact on the current year and previous years profit.

## Note 47

### Buy Back of Shares

In accordance with the Guidelines on Capital Restructuring of CPSEs issued by Department of Investment & Public Asset Management (DIPAM), the Company has bought back 767.40 Lakh Equity Shares of ₹10/- each (fully paid) being 7.21% of aggregate of paid-up equity and free reserves as on 31.3.2019 from Government of India in the year 2019-20. The book value per share was arrived at ₹38.24 per share as per the certificate received from Statutory Auditors of the Company. The free reserves of the Company were utilized for the purpose of aforesaid buyback of shares. The company has bought back shares of face value of ₹7,674.03 lakhs out of the Capital and utilised free reserves of ₹21,671.45 lakhs. Payment of ₹5,048.58 lakhs as income tax against buy back was also paid. The aforesaid buyback of shares was done in compliance of the provisions of Companies Act, 2013 and rules framed thereunder.

## Note 48

### Dividend

During the year, the company has paid dividend of

₹21,848 lakhs to the shareholders and ₹4,490.92 lakhs towards dividend distribution tax out of the reserves and surplus.

## Note 49

### Funds from Government of India (Adjustable) During the year

Balance in "Funds from Government of India (Adjustable)" Account as on 31.03.2014 was ₹2,87,864 lakhs. As per the letter No. 3/2/2008-Cy.III/SPMC dated 09.02.2015 the capital structure of the SPMCIL was finalized w.e.f. 01.04.2015 (Letter No. 3/2/2008-Cy.III/SPMC dated 24.07.2015) & (Letter No.13/2/2016-SPMC dated 04.03.2020). As per the finalised Capital Structure ₹1,18,244 lakhs was transferred to Equity, ₹1,18,245 lakhs were transferred to Repayable Loan and ₹33,400 lakhs were transferred to Capital Reserve. The balance amount of ₹17,975.76 lakhs was lying in the "Funds from Government of India (Adjustable)" Account.

The company has balances on account of amounts due from the Govt. for the accumulated balances of combined optee employees with PAO ₹369.50 lakhs ₹901.97 lakhs towards opening balances and the interest amounts recoverable from PAO at the time of corporatisation for the pro- rata optee employees and ₹850.24 lakhs on account of unreconciled balances with MoF. The total amount of ₹2,121.71 lakhs has been adjusted from the amounts payable and now the balance adjustable from GOI is ₹15,854.05 lakhs which is yet to be settled with Ministry of Finance.

## Note 50

### Appointment of Independent Director

SPMCIL being a Govt. Company, as per Articles of association the power to appoint Directors vests with the President of India, through Ministry of Finance. The appointment of independent directors is under consideration of Ministry of finance.

## Note 51

### Impact of COVID 19

The Financial statements are prepared on the



assumption that a company is a going concern and will continue in operation for the foreseeable future. Management of the company assessed the impact of COVID-19 and the relevant measures has been considered to continue as a going concern. Being supplier of essential supplies recognized by the Central Government, all the Significant accounting policies of the company are not affected by the impact of COVID-19.

As part of its review of the year-end balance sheet, the Company has made an assessment of recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Inventory and Financial assets and has concluded that no adjustments are required to be made to the carrying

values of such assets as at March 31, 2020.

## **Note 52**

### **Provision for Doubtful Debts**

100% provision has been made in the books of accounts against debtor' balances outstanding for more than three years as on the date of balance sheet, i.e. March 31, 2020.

## **Note 53**

In order to have better presentation the previous year's figures have been re-casted/restated/ reclassified, wherever necessary, to conform to current year's classification.

### **For M/s. Ashwani & Associates**

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

**(Sanjeeva Narayan)**

Partner

Membership Number: 084205

UDIN : 20084205AAAALE6388

Date: 20.08.2020

Place: New Delhi

### **On behalf of Security Printing and Minting Corporation of India Limited**

Sd/-

**(Sachin Agarwal)**

Company Secretary

(PAN: ADRPA9630Q)

Sd/-

**(Ajay Agarwal)**

Director (Finance) & CFO

(DIN : 06778079)

Sd/-

**(Tripti P. Ghosh)**

Chairman and Managing Director

(DIN : 08123112)

# Consolidated Financial Statement 2019-20







## INDEPENDENT AUDITOR'S REPORT

To,

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

### **Report on the Audit of Consolidated Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated Ind AS financial statements of **Security Printing & Minting Corporation of India Limited** (the "Company") which comprise the company and its Joint Venture "**Bank Note Paper Mill India Private Limited**" (together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in Equity and the Consolidated Cash Flow Statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 (referred to as "the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India (including the Ind AS), of the consolidated state of affairs of the group as at March 31, 2020, of consolidated profit including other comprehensive income, its consolidated changes in equity and its consolidated cash flow for the year then ended.

#### **Basis for Qualified Opinion**

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

We conducted our audit in accordance with the

Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion. .

#### **EMPHASIS OF MATTERS**

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

#### **Information Other than the Financial Statements and Auditors Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and the Annexures to the Board's Report, Report on Corporate Governance and General Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of



this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

### **Responsibilities of Management and those charged with Governance for the Consolidated Financial Statement**

The Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company's, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease

operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

### **Other Matters**

- (a) We did not audit the Financial Statement of Joint Venture "Bank Note Paper Mill India Pvt. Ltd.", whose management certified financial statements reflect total assets of ₹2,12,021.44 lakh as at 31<sup>st</sup> March 2020, total revenue as ₹1,30,188.22 lakh and net cash flow of ₹28,103.50 Lakh for the year on that date, as considered in the Consolidated Ind AS Financial Statement.

The Consolidated financial statement also includes the Group's share of Net profit of ₹13,056.68 Lakhs for the year ended 31<sup>st</sup> March, 2020 as considered in the Consolidated Ind AS Financial Results, in respect of Joint Ventures- "Bank Note Paper Mill India Private Limited", whose Financial Statements are not audited by us. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Joint Venture-"Bank Note Paper Mill India



Private Limited”, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid Joint Venture --“Bank Note Paper Mill India Private Limited”, is based solely on such management certified unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

- (b) We did not audit the financial statements/information of 8 branches/units included in the standalone financial statements of the Company whose financial statements/financial information reflect total assets of ₹4,74,564.80 lakh as at 31<sup>st</sup> March 2020 and total revenue of ₹4,69,003.67 lakh for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors. We cannot comment on such figures as the same are audited by other auditors. Our opinion is not modified in respect of this matter.

Our opinion on the Consolidated Financial Statement, and our report on Other Legal and Regulatory Requirements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the management.

### **(c) India Govt. Mint, Kolkata**

- (i) A substantial amount appears under EMD Vendors as Credit Balance since 2012. Based on the documentary evidence produced to us, we have observed that in ease of one party, a writ petition (No.17609 (W)) of 2012 was filed before the Hon'ble Calcutta High Court by the concerned party is pending. Accordingly, the matter being sub judice, the unit of SPMCIL has to

carry forward the balance in the books of accounts pending final judgement;

- (ii) There are some employee advances (LTC and Tour) which lies unadjusted for more than three years. Amongst such employees, some have already retired and some bills are under preliminary inquiry. The cases which are under inquiry, management should take appropriate decision for early completion of inquiry for settlement of those advances. In remaining cases, appropriate decision should be taken for recovery/settlement in case of working employees or adjustment in case of retired employees.

### **Report on Other Legal and Regulatory Requirements**

1. In terms of Sub Section (5) of section 143 of “the Act”, we give in the **“Annexure-V”** a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
2. As required by section 143(3) of “the Act”, we report, to the extent applicable, that:
  - a) We have sought and, except for the effects/possible effects of matters described in the “Basis for qualified opinion” paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b) Except for the effects/possible effects of matters described in the “Basis for qualified opinion” paragraph, in our opinion proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of





## *Manufacturer of Instruments of Faith*

preparation of the consolidated financial statements;

- d) In our opinion, except for the effects/ possible effects of the matters described in the "Basis for qualified opinion" paragraph, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of "the Act", read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) As per notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 164(2) of the Companies Act, 2013 is not applicable to the Group;
- f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "**Annexure-IV**". Our report expresses a qualified opinion on the adequacy and on the operating effectiveness of the Group's internal financial control over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in



accordance with the requirements of section 197(16) of "the Act", as amended, as per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Companies Act, 2013 is not applicable to the Government Companies.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated Ind AS financial statements – Refer Note 25 to the consolidated Ind AS financial statements;
  - ii. The group did not have any material foreseeable losses on long-term contracts including derivative contracts;
  - iii. There were no amounts which were required to be transferred to the

Investor Education and Protection Fund by the group.

### **For Ashwani & Associates**

Place : New Delhi  
Dated : 20.08.2020

Chartered Accountants  
FRN : 000497N

**Sd/-**  
**(Sanjeeva Narayan)**

Partner  
M. No. : 084205  
UDIN : 20084205AAAAALF5357



## **ANNEXURE TO THE AUDITORS REPORT TO THE MEMBERS OF SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED AS AT 31<sup>ST</sup> MARCH 2020**

### **BASIS OF QUALIFIED OPINION**

#### **1. Corporate Office, Delhi**

According to Section 149, of Companies Act, 2013, the company must have a minimum of two Independent Directors. However, according to the information and explanations given to us, the company had only one independent director from April 1, 2019 to February 15, 2020 and no independent director thereafter thereby contravening the provisions of Section 149 of the Companies Act 2013.



**ANNEXURE TO THE AUDITORS REPORT TO THE MEMBERS OF SECURITY PRINTING  
AND MINTING CORPORATION OF INDIA LIMITED AS AT 31<sup>ST</sup> MARCH 2020**

**EMPHASIS OF MATTER**

We draw your attention to :

- (a) Note 37 to the financial statements which states that balances of Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmations / reconciliation and consequent adjustment, if any, with respective parties.
- (b) Note 41 to the financial statements regarding events occurring after the Balance sheet date relating to fixation of Fair Selling Price (FSP) of Circulation Coins for the financial year 2016-17 and 2017-18 and Postal Stationery for the financial year 2015-16, 2016-17 and 2017-18.
- (c) Note 48 to the financial statements regarding changes in the accounting policies for Revenue recognition for Bank Notes and defining materiality in relation to income/ expenditure relating to prior period.
- (d) Note 52 regarding an amount of ₹17,975.76 lakhs was lying in "Funds from Govt of India" (adjustable) account as at April 1, 2019, which was pending for settlement with Ministry of Finance against which the Company has, without intimating the Ministry of Finance adjusted amounts aggregating to ₹2,121.71 lakhs comprised of ₹369.50 lakhs and ₹901.97 lakhs respectively towards opening balances and interest amount recoverable from PAO at the time of Corporatisation in respect of pro-rata optee employees and un-reconciled debtors of ₹850.24 lakhs leaving a balance of ₹15,854.05 lakhs in the said account.
- (e) Note 55 to the financial statements which explains the management's assessment of the financial impact due to the lockdowns and other restrictions and conditions related to the COVID 19 pandemic situation. However, definite assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.





## **ANNEXURE TO THE AUDITORS REPORT TO THE MEMBERS OF SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED AS AT 31<sup>ST</sup> MARCH 2020**

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the group has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## **ANNEXURE TO THE AUDITORS REPORT TO THE MEMBERS OF SECURITY PRINTING & MINTING CORPORATION OF INDIA LIMITED AS AT 31<sup>ST</sup> MARCH 2020**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Security Printing & Minting Corporation of India Limited** (the "Company") which comprise the company and its Joint Venture "**Bank Note Paper Mill India Private Limited**" (together referred to as "the Group" as of March 31, 2020, in conjunction with our audit of the consolidated Ind AS financial statements of financial statements of the company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the companies included in the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under "the Act".

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to these consolidated financial

statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of "the Act", to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over consolidated financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.



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

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference

to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2020:

#### **1. Corporate Office**

- (i) Biometric not linked with SAP-ERP for payroll processing.
- (ii) No prescribed chart of accounts in the organizations which describe posting of expenditure as per their nature in their respective ledger.

#### **2. Bank Note Press, Dewas**

- (a) Management has installed Biometric Attendance Management System during the year 2018-19 to record the attendance biometrically into SAP. However, it is observed that attendance and overtime working was not accounted automatically under SAP during the year as Biometric Attendance System was not integrated with SAP during the year.
- (b) Finance Module of the ERP software does not provide the Agewise analysis of Sundry Debtors, Creditors, various advances at any time during the year and same has been prepared manually.

#### **3. India Government Mint, Kolkata**

- (a) The inventory valuation (including FG, SFG and scrap) has been carried out manually and integrated in SAP through manual entries.
- (b) The Biometric attendance management system has been installed to record the attendance biometrically into SAP. However, the attendance is manually recorded in SAP in absence of proper synchronization of SAP and biometric device.





#### 4. Currency Note Press, Nashik

Management has installed Biometric Attendance Management System to record the attendance bio-metrically into SAP. However it is observed that attendance and overtime working was not accounted automatically under SAP and was processed manually. To that extent, the unit did not have effective internal control in HR module of SAP.

#### 5. India Government Mint, Hyderabad

The following improvements are suggested to enhance the current control mechanism:

- Introduction of dual control / authentication mechanism for addition and updation of employee master data;
- Leavemanagementsystemisimplemented and integrated with SAP for all classes of employees including workmen. It is advised to map for salary/ wages processing.

#### 6. India Security Press, Nashik

The following risk in internal financial controls are identified:-

- Back dated entries are allowed in their SAP-ERP system for posting of any entries for the last quarter, leading into lose internal control over the period financial information;
- SAP-ERP system allows the users to assign useful life of the asset different from the Useful Life as per the accounting policies without any dual check system / authorisation, which may lead to wrong calculation of depreciation / amortisation of property, plant and equipment and intangible assets;
- The unit have not integrated the biometric system with Payroll module of SAP-ERP system. Management installed Biometric Attendance Management System to record the attendance bio- metrically into SAP. However, it is observed that attendance and overtime working was not accounted automatically under SAP and was processed manually, which may lead to excess payment of salary and overtime allowances

due to manual intervention;

- The unit did not have any system of review of overdue/outstanding sales/purchase orders which are not yet executed since long, due to which many sales order are still pending/ outstanding since long.

**Eg.- 1)** Total 690 Sales orders worth ₹145 Crores are not executed since long, as old as 2012 including 173 pending Sales orders of ₹116 Crores relates to FY 2018-19.

2) Total 786 Purchase orders worth ₹39.15 Crores are not execute old as 2016 including 428 pending Purchase orders of ₹7.23 Crores relates to FY 2018-19.

- The unit has not done knocking of recovery of ₹359 Crores received from debtors against respective invoice, due to which the correct ageing of debtors could not be worked out. Due to this despite recovery in odd amount, the overdue of more than 3 years for the purposes of provision for Bad & Doubtful as per the Accounting Policy is worked out mainly on First In First Out (FIFO) Basis;
- Despite long overdue outstanding trade receivables lying since decades, as old as 1971 & onwards, specially related to Postal Department the unit did not have any system of joint reconciliation with major customers. This leads to loose internal control over the identification and recovery of the old outstanding / overdue trade receivables;
- Age-wise report of Inventory is not generated from Material Management module of SAP-ERP System and the identification and valuation at lower of cost or Net realisable value (NRV) for non-moving inventory (not moved for 3-5 years) is worked out manually, leading to loose internal control over the identification and disposal of obsolete / non-moving inventory.

A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable



possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the group company's has maintained, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020, Consolidated Ind AS financial statements of the company, and these material weaknesses do not affect our opinion on the Consolidated Ind AS financial statements of the Group.

### **Other Matters**

We did not audit the internal financial controls over financial reporting of Joint Venture- "Bank Note Paper Mill India Private Limited" and 8 branches/ units included in the consolidated internal financial controls over financial reporting of the Group for the year ended as on 31st March 2020.

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

Our aforesaid reports under Section 143(3)(i) of the Act does not include any comment on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to Joint Venture - "Bank Note Paper Mill India Private Limited", which is a company incorporated in India, in respect of which the Audited Accounts are not available.

**For Ashwani & Associates**

Chartered Accountants  
FRN : 000497N

**Sd/-**

**(Sanjeeva Narayan)**

Partner

M. No. : 084205

UDIN: 20084205AAAALF5357

Place : New Delhi  
Dated : 20.08.2020



## **ANNEXURE TO THE AUDITORS REPORT TO THE MEMBERS OF SECURITY PRINTING & MINTING CORPORATION OF INDIA LIMITED AS AT 31<sup>ST</sup> MARCH 2020**

**Statement on the Directions/ Sub-Directions issued by the Comptroller & Auditor General of India under section 143(5) of the Companies Act, 2013, examined by the Statutory Auditors during the course of audit of annual accounts of Security Printing & Minting Corporation of India Limited and its Joint Venture "Bank Note Paper Mill India Pvt. Ltd." for the year ending 31<sup>st</sup> March 2020**

### **Compliance Certificate**

We have conducted the audit of the accounts of Security Printing and Minting Corporation of India Limited (the 'Company') which comprise the company and its Joint Venture **"Bank Note Paper Mill India Private Limited"** (together referred to as "the Group" for the year ended 31<sup>st</sup> March 2020, in accordance with the directions/sub-directors issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us. Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of the company is as per **Annexure V(a)**.

We did not audit the accounts of 8 branches/ units included in the standalone financial statements/ information of the company for the year ended as on 31<sup>st</sup> March 2020 and have relied upon the reports of the respective Auditors whose reports have been furnished to us.

Further, our aforesaid reports does not include any comment on the financial statement / financial information insofar as it relates to Joint Venture- "Bank Note Paper Mill India Private Limited", which is a company incorporated in India, in respect of which the Audited Accounts are not available.

**For Ashwani & Associates**

Chartered Accountants

FRN : 000497N

**Sd/-**

**(Sanjeeva Narayan)**

Partner

M. No.: 084205

UDIN: 20084205AAAALF5357

Place : New Delhi

Dated : 20.08.2020





**Statement on the Directions/ Sub Directions issued by the Comptroller & Auditor General of India under section 143(5) of the Companies Act, 2013, examined by the Statutory Auditors during the course of audit of annual accounts of Security Printing & Minting Corporation of India Limited and its Joint Venture "Bank Note Paper Mill India Pvt. Ltd." for the year ending 31<sup>st</sup> March 2020**

| Sl. No. | Particulars                                                                                                                                                                                                                                                                    | Auditor's Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Where the Company has system in place to process all the accounting transaction through IT? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financials implication, if any, may be stated. | <p><b>(a) For the Company</b></p> <p>As per the information and explanation provided to us, the Company has a system in place to process all the accounting transactions through IT system except as below: -</p> <p><b>1. Corporate Office</b></p> <p>(a) Biometric not linked with SAP-ERP for payroll processing.</p> <p><b>2. BNP, Dewas</b></p> <p>(a) Management has installed Biometric Attendance Management System during the year 2018-19 to record the attendance bio-metrically into SAP. However, it is observed that attendance and overtime working was not accounted automatically under SAP during the year as Biometric Attendance System was not integrated with SAP during the year.</p> <p>(b) Finance Module of the ERP software not provided the Agewise analysis of Sundry Debtors, Creditors, various advances at any time during the year and same has been prepared manually.</p> <p><b>3. IGM, Kolkata</b></p> <p>(a) The inventory valuation (including FG, SFG and scrap) has been carried out manually and integrated in SAP through manual entries.</p> <p>(b) The Biometric attendance management system has been installed to record the attendance biometrically into SAP. However, the attendance is manually recorded in SAP in absence of proper synchronization of SAP and biometric device.</p> <p>The financial implications of the above disclosures cannot be quantified.</p> <p><b>4. CNP, Nashik</b></p> <p>Management installed Biometric Attendance Management System to record the attendance bio-metrically into SAP. However it is observed that attendance and overtime working was not accounted automatically under SAP and was processed manually. To that extent, the unit did not have effective internal control in HR module of SAP.</p> <p><b>5. IGM, Hyderabad</b></p> <p>Leave management system is implemented and integrated with SAP for all classes of employees including workmen. It is advised to map for salary/ wages processing.</p> |



| Sl. No. | Particulars                                                                                                                                                                                                                                   | Auditor's Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |                                                                                                                                                                                                                                               | <p><b>6. ISP, Nashik</b></p> <p>(a) The unit have not integrated the biometric system with Payroll module of SAP-ERP system. Management installed Biometric Attendance Management System to record the attendance bio- metrically into SAP. However, it is observed that attendance and overtime working was not accounted automatically under SAP and was processed manually, which may lead to excess payment of salary and overtime allowances due to manual intervention;</p> <p>(b) Age-wise report of Inventory is not generated from Material Management module of SAP-ERP System and the identification and valuation at lower of cost or Net realisable value (NRV) for non-moving inventory (not moved for 3-5 years) is worked out manually, leading to loose internal control over the identification and disposal of obsolete / non-moving inventory.</p> <p>The financial implications of the above disclosures cannot be quantified.</p> |
| 2.      | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. | <p><b>(a) For the Company</b></p> <p>The Company has not availed any loan during the year. Therefore, financial impact of restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan is not applicable.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 3       | Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its item and conditions? List the cases of deviation.                                                         | <p><b>(a) For the Company</b></p> <p>The Company does not have any funds which have been received or are receivable for specific schemes from Central/ State agencies.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

**For Ashwani & Associates**

Chartered Accountants

FRN : 000497N

**Sd/-**

**(Sanjeeva Narayan)**

Partner

M. No.: 084205

UDIN : 20084205AAAALF5357

Place : New Delhi

Dated : 20.08.2020



**SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED**  
**Consolidated Balance Sheet as at 31<sup>st</sup> March 2020**

(Amount in ₹ lakhs)

| Sl. No.    | Particulars                                                              | Note No. | Figures as at 31 <sup>st</sup> March 2020 | Figures as at 31 <sup>st</sup> March 2019 |
|------------|--------------------------------------------------------------------------|----------|-------------------------------------------|-------------------------------------------|
| <b>I.</b>  | <b>ASSETS</b>                                                            |          |                                           |                                           |
| <b>(1)</b> | <b>Non-current assets</b>                                                |          |                                           |                                           |
|            | (A) Property, Plant and Equipment                                        | 3        | 1,28,233.02                               | 1,32,623.54                               |
|            | (B) Capital Work-in-Progress                                             | 3        | 7,605.70                                  | 1,178.86                                  |
|            | (C) Other Intangible Assets                                              | 4        | 150.45                                    | 141.81                                    |
|            | (D) Financial Assets                                                     |          |                                           |                                           |
|            | (i) Investments                                                          | 5 (i)    | 84,776.22                                 | 72,541.75                                 |
|            | (ii) Trade Receivables                                                   |          |                                           |                                           |
|            | (a) Receivable Considered Good - Secured                                 | 5 (ii)   | -                                         | -                                         |
|            | (b) Receivable Considered Good - Unsecured                               | 5 (ii)   | -                                         | -                                         |
|            | (c) Receivable which have significant increase in credit risk            | 5 (ii)   | -                                         | -                                         |
|            | (d) Receivable Credit Impaired                                           | 5 (ii)   | -                                         | -                                         |
|            | (iii) Loans                                                              |          |                                           |                                           |
|            | (a) Receivable Considered Good - Secured                                 | 5 (iii)  | 581.98                                    | 683.80                                    |
|            | (b) Receivable Considered Good - Unsecured                               |          | 25.26                                     | 81.62                                     |
|            | (c) Receivable which have significant increase in credit risk            |          | -                                         | -                                         |
|            | (d) Receivable Credit Impaired                                           |          | -                                         | -                                         |
|            | (iv) Others                                                              | 5 (iv)   | 7,121.28                                  | 5,788.50                                  |
|            | (E) Deferred Tax Assets (net)                                            | 6        | 70,452.11                                 | 94,435.67                                 |
|            | (F) Other Non-current Assets                                             | 7        | 40.74                                     | 105.55                                    |
| <b>(2)</b> | <b>Current Assets</b>                                                    |          |                                           |                                           |
|            | (A) Inventories                                                          | 8        | 1,96,198.61                               | 1,58,791.39                               |
|            | (B) Financial Assets                                                     |          |                                           |                                           |
|            | (i) Investments                                                          | 5(i)     | -                                         | -                                         |
|            | (ii) Trade Receivables                                                   | 5(ii)    | 1,33,343.61                               | 1,72,810.55                               |
|            | (a) Loans Receivable Considered Good - Secured                           |          | -                                         | -                                         |
|            | (b) Loans Receivable considered Good - Unsecured                         |          | -                                         | -                                         |
|            | (c) Loans Receivable which have significant increase in credit risk      |          | -                                         | -                                         |
|            | (d) Loans Receivable Credit Impaired                                     |          | -                                         | -                                         |
|            | (iii) Cash and Cash Equivalents                                          | 5(v) (a) | 3,742.03                                  | 12,291.81                                 |
|            | (iv) Bank Balances other than (iii) above                                | 5(v) (b) | 2,00,017.86                               | 1,44,050.00                               |
|            | (v) Loans                                                                | 5 (iii)  | 150.69                                    | 103.38                                    |
|            | (a) Loans Receivable Considered Good - Secured                           |          | -                                         | -                                         |
|            | (b) Loans Receivable Considered Good - Unsecured                         | 5 (iii)  | 37.41                                     | 44.20                                     |
|            | (c) Loans Receivable which have significant increase in credit risk: and |          | -                                         | -                                         |
|            | (d) Loans Receivable Credit Impaired                                     |          | -                                         | -                                         |
|            | (vi) Others                                                              | 5 (iv)   | 9,728.81                                  | 16,640.53                                 |
|            | (C) Current Tax Assets (Net)                                             | 9 (a)    | 255.64                                    | -                                         |
|            | (D) Other Current Assets                                                 | 10       | 11,185.30                                 | 17,772.70                                 |
|            | <b>Total Assets</b>                                                      |          | <b>8,53,646.72</b>                        | <b>8,30,085.66</b>                        |
| <b>II.</b> | <b>EQUITY AND LIABILITIES</b>                                            |          |                                           |                                           |
| <b>(1)</b> | <b>Equity</b>                                                            |          |                                           |                                           |
|            | (A) Equity Share capital                                                 | 11       | 98,750.07                                 | 1,06,424.10                               |
|            | (B) Other Equity                                                         |          |                                           |                                           |
|            | - Reserve & Surplus                                                      | 12       | 3,76,985.12                               | 3,63,073.42                               |
| <b>(2)</b> | <b>Liabilities</b>                                                       |          |                                           |                                           |
|            | <b>Non-current Liabilities</b>                                           |          |                                           |                                           |
|            | (A) Financial Liabilities                                                |          |                                           |                                           |
|            | (i) Borrowings                                                           | 13 (i)   | -                                         | -                                         |
|            | (ii) Trade Payables                                                      | 13 (ii)  | 360.74                                    | 780.77                                    |
|            | (a) Total Outstanding Dues of MSME                                       |          | -                                         | -                                         |
|            | (b) Total Outstanding Dues of Creditors other than MSME                  |          | -                                         | -                                         |
|            | (iii) Other Financial Liabilities                                        | 13(iii)  | 15,855.05                                 | 21,013.70                                 |
|            | (B) Provisions                                                           | 14 (i)   | 36.92                                     | 5.00                                      |
|            | (C) Employees Benefit Obligations                                        | 15 (i)   | 1,53,038.87                               | 1,48,979.79                               |
|            | (D) Other Non-Current Liabilities                                        | 16       | 26,624.79                                 | 11,336.16                                 |
|            | <b>Current Liabilities</b>                                               |          |                                           |                                           |
|            | (A) Financial Liabilities                                                |          |                                           |                                           |
|            | (i) Borrowings                                                           | 13 (i)   | -                                         | -                                         |
|            | (ii) Trade Payables                                                      |          |                                           |                                           |
|            | (a) Total Outstanding Dues of MSME                                       | 13 (ii)  | 360.09                                    | 373.24                                    |
|            | (b) Total Outstanding Dues of Creditors other than MSME                  | 13 (ii)  | 26,126.84                                 | 25,904.03                                 |
|            | (iii) Other Financial Liabilities                                        | 13 (iii) | 6,814.63                                  | 7,294.16                                  |
|            | (B) Other Current Liabilities                                            | 17       | 42,162.19                                 | 40,132.87                                 |
|            | (C) Provisions                                                           | 14 (ii)  | 86,755.43                                 | 84,901.66                                 |
|            | (D) Employees Benefit Obligations                                        | 15 (ii)  | 19,775.98                                 | 16,884.58                                 |
|            | (E) Current Tax Liabilities (Net of Advance tax)                         | 9 (b)    | -                                         | 2,982.18                                  |
|            | <b>Total Equity and Liabilities</b>                                      |          | <b>8,53,646.72</b>                        | <b>8,30,085.66</b>                        |

Significant Accounting Policies and Notes referred to above form an integral part of the Balance Sheet and should be read in conjunction therewith.  
 As per our report of even date attached.

**For and on behalf of**  
**M/s. Ashwani & Associates**  
 Chartered Accountants  
 Firm's Registration Number : 000497N  
 Sd/-

**(Sanjeeva Narayan)**  
 Partner  
 Membership Number: 084205  
 UDIN : 20084205AAAAALF5357  
 Date: 20.08.2020  
 Place: New Delhi

**On behalf of Security Printing and Minting Corporation of India Limited**

Sd/-  
**(Sachin Agarwal)**  
 Company Secretary  
 (PAN: ADRPA9630Q)

Sd/-  
**(Ajay Agarwal)**  
 Director (Finance) & CFO  
 (DIN : 06778079)

Sd/-  
**(Tripti P. Ghosh)**  
 Chairman and Managing Director  
 (DIN : 08123112)





*Manufacturer of Instruments of Faith*



## SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

### Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2020

(Amount in ₹ lakhs)

| Sl. No. | Particulars                                                                                                                     | Note No. | For the year ended 31 <sup>st</sup> March 2020 | For the year ended 31 <sup>st</sup> March 2019 |
|---------|---------------------------------------------------------------------------------------------------------------------------------|----------|------------------------------------------------|------------------------------------------------|
| I.      | Revenue From Operations                                                                                                         | 18       | 4,96,606.90                                    | 5,71,133.56                                    |
| II.     | Other Income                                                                                                                    | 19       | 21,030.21                                      | 11,388.81                                      |
| III.    | <b>Total Income (I+II)</b>                                                                                                      |          | <b>5,17,637.11</b>                             | <b>5,82,522.37</b>                             |
| IV.     | <b>EXPENSES</b>                                                                                                                 |          |                                                |                                                |
|         | Cost of Materials Consumed                                                                                                      | 20       | 2,37,230.79                                    | 2,29,468.03                                    |
|         | Purchases of Stock-in-Trade                                                                                                     |          | -                                              | -                                              |
|         | Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress                                                  | 21       | (44,563.65)                                    | 41,697.55                                      |
|         | Employee Benefits Expense                                                                                                       | 22       | 1,28,547.46                                    | 1,27,761.01                                    |
|         | Finance Costs                                                                                                                   | 23       | 3,100.51                                       | 1,860.64                                       |
|         | Depreciation and Amortization Expense                                                                                           | 3 & 4    | 13,282.25                                      | 13,656.45                                      |
|         | Other Expenses                                                                                                                  | 24       | 77,360.73                                      | 88,009.57                                      |
|         | <b>Total Expenses (IV)</b>                                                                                                      |          | <b>4,14,958.08</b>                             | <b>5,02,453.26</b>                             |
| V.      | <b>Profit/(Loss) before Exceptional Items and Tax (III-IV)</b>                                                                  |          | <b>1,02,679.03</b>                             | <b>80,069.11</b>                               |
| VI.     | Add: Exceptional Items                                                                                                          |          | -                                              | -                                              |
| VII.    | <b>Profit/(loss) Before Tax (V-VI)</b>                                                                                          |          | <b>1,02,679.03</b>                             | <b>80,069.11</b>                               |
| VIII.   | Tax Expense:                                                                                                                    |          |                                                |                                                |
|         | (1) (a) Current Tax                                                                                                             |          | 26,600.00                                      | 34,031.00                                      |
|         | (b) Tax for Earlier Years                                                                                                       |          | -                                              | 2,023.51                                       |
|         | (2) Deferred Tax                                                                                                                |          | 23,318.95                                      | (7,323.24)                                     |
| IX.     | <b>Profit / (Loss) for the Year from Continuing Operations (VII-VIII)</b>                                                       |          | <b>52,760.08</b>                               | <b>51,337.84</b>                               |
| X.      | Profit/(Loss) from Discontinued Operations                                                                                      |          | -                                              | -                                              |
| XI.     | Profit/(Loss) from JV (Net of Tax)                                                                                              |          | 13,056.68                                      | 8,886.70                                       |
| XII.    | Tax Expense of Discontinued Operations                                                                                          |          | -                                              | -                                              |
| XIII.   | Profit/(Loss) from Discontinued Operations (After Tax) (X-XII)                                                                  |          | -                                              | -                                              |
| XIV.    | <b>Profit/(loss) for the Year (IX+XI+XIII)</b>                                                                                  |          | <b>65,816.76</b>                               | <b>60,224.54</b>                               |
| XV.     | <b>Other Comprehensive Income</b>                                                                                               |          |                                                |                                                |
|         | A (i) Items that will not be reclassified to Profit or Loss                                                                     |          | 2,640.66                                       | 575.66                                         |
|         | (ii) Income tax relating to items that will not be reclassified to Profit or Loss                                               |          | (664.60)                                       | (201.16)                                       |
|         |                                                                                                                                 |          | <b>1,976.06</b>                                | <b>374.50</b>                                  |
|         | B (i) Items that will be reclassified to Profit or Loss                                                                         |          | -                                              | -                                              |
|         | (ii) Income tax relating to items that will be reclassified to Profit or Loss                                                   |          | -                                              | -                                              |
|         |                                                                                                                                 |          | -                                              | -                                              |
| XVI.    | <b>Total Comprehensive Income for the Period (XIV+XV)(Comprising Profit (Loss) and Other Comprehensive Income for the year)</b> |          | <b>67,792.82</b>                               | <b>60,599.04</b>                               |
| XVII.   | <b>Earnings per Share</b>                                                                                                       |          |                                                |                                                |
| (i)     | Basic Earnings per Share of ₹10/- Each                                                                                          |          | 6.41                                           | 5.69                                           |
| (ii)    | Diluted Earnings per Share of ₹10/- Each                                                                                        |          | 6.41                                           | 5.69                                           |

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

As per our report of even date attached.

**For and on behalf of**

**M/s. Ashwani & Associates**

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

**(Sanjeeva Narayan)**

Partner

Membership Number: 084205

UDIN : 20084205AAAAF5357

Date: 20.08.2020

Place: New Delhi

**On behalf of Security Printing and Minting Corporation of India Limited**

Sd/-

**(Sachin Agarwal)**

Company Secretary

(PAN: ADRPA9630Q)

Sd/-

**(Ajay Agarwal)**

Director (Finance) & CFO

(DIN : 06778079)

Sd/-

**(Tripti P. Ghosh)**

Chairman and Managing Director

(DIN : 08123112)



## Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2020

(Amount in ₹ lakhs)

| Particulars                                                               | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
|---------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>A. Cash Flow from Operating Activities</b>                             |                             |                             |
| <b>Profit before Tax</b>                                                  | <b>1,15,735.71</b>          | <b>88,955.81</b>            |
| Add:                                                                      |                             |                             |
| <b>Adjustment to reconcile Profit before Tax to Net Cash Flow</b>         |                             |                             |
| Depreciation and Amortisations of Property Plant and Equipment            | 13,282.25                   | 13,656.45                   |
| Interest Expenses                                                         | 3,100.51                    | 1,860.64                    |
| Loss / (Profit) on Sale of Property Plant and Equipment                   | 24.38                       | (16.51)                     |
| Interest Income                                                           | (11,175.61)                 | (6,640.38)                  |
| Provision Created Net of Written off                                      | 19,239.31                   | 28,574.42                   |
| Foreign Exchange Fluctuation                                              | 28.80                       | (367.93)                    |
| Interest on Income Tax Refund                                             | 0.00                        | (773.28)                    |
| Dividend                                                                  | (4,000.00)                  | (23.18)                     |
| Other Adjustments                                                         | 2,640.66                    | 575.66                      |
| <b>Total</b>                                                              | <b>23,140.30</b>            | <b>36,845.89</b>            |
| <b>Operating Profit Before Working Capital Changes</b>                    | <b>1,38,876.01</b>          | <b>1,25,801.70</b>          |
| Adjustment for                                                            |                             |                             |
| (Increase) / Decrease in Trade Receivables                                | 39,466.94                   | (64,456.98)                 |
| (Increase) / Decrease in Inventories                                      | (37,407.22)                 | 82,827.91                   |
| (Increase) / Decrease in Loans & Advances                                 | 117.66                      | 191.05                      |
| (Increase) / Decrease in Other Assets                                     | 16,255.15                   | 9,653.48                    |
| Increase / (Decrease) in Trade Payable                                    | (239.17)                    | 3,662.61                    |
| Increase / (Decrease) in Other Current Liabilities                        | 4,441.17                    | 19,533.92                   |
| Increase / (Decrease) in Long Term Provisions                             | (19,207.39)                 | 0.00                        |
| Increase / (Decrease) in Short Term Provisions                            | 1,853.77                    | (22,116.83)                 |
| Increase / (Decrease) in Other Non Current Liabilities                    | 14,189.05                   | 7,649.19                    |
| (Increase) / Decrease in Other Non-Current Assets                         | (1,267.96)                  | (89.59)                     |
| <b>Total</b>                                                              | <b>18,202.00</b>            | <b>36,854.76</b>            |
| <b>Cash Generated from Operations</b>                                     | <b>1,57,078.01</b>          | <b>1,62,656.45</b>          |
| Less: Tax Paid (Net of Refund)                                            | 29,859.99                   | 26,820.30                   |
| <b>Net Cash Flow from Operating Activities</b>                            | <b>1,27,218.02</b>          | <b>1,35,836.17</b>          |
| <b>B. Cash Flow from Investing Activities</b>                             |                             |                             |
| Interest Income                                                           | 8,419.58                    | 6,281.59                    |
| Dividend Income                                                           | 4,000.00                    | 23.18                       |
| Sale of Property, Plant & Equipments                                      | 34.92                       | 1,302.76                    |
| Purchase and Adjustment in Property, Plant and Equipment (Including CWIP) | (15,364.27)                 | (11,653.48)                 |
| (Increase)/ Decrease in Current Investments                               | 0.00                        | 9,009.28                    |
| (Increase)/ Decrease in Investments                                       | -                           | -                           |
| (Increase)/ Decrease in Non-current Investments                           | (13,056.68)                 | (8,886.70)                  |
| Increase/(Decrease) in Long Term Liabilities                              | -                           | -                           |
| <b>Net Cash Flow from Investing Activities</b>                            | <b>(15,966.45)</b>          | <b>(3,923.37)</b>           |
| <b>C. Cash Flow from Financing Activities</b>                             |                             |                             |
| Issuance of Share Capital                                                 | -                           | -                           |
| Dividend Paid to Equity Shareholders                                      | (21,848.00)                 | (20,487.15)                 |
| Dividend Distribution Tax                                                 | (4,490.92)                  | (4,286.90)                  |
| Buy Back of Share Capital                                                 | (29,345.48)                 | 0.00                        |
| Tax paid on Buy Back of Shares                                            | (5,048.58)                  | 0.00                        |
| Change in Capital Reserve                                                 | -                           | -                           |
| Interest Paid                                                             | (3,100.51)                  | (1,860.64)                  |
| <b>Net Cash Flow from Financing Activities</b>                            | <b>(63,833.49)</b>          | <b>(26,634.69)</b>          |
| Cash & Cash Equivalent at the Beginning of the Year                       | 1,56,341.81                 | 51,063.70                   |
| Increase/(Decrease) in Cash or Cash Equivalent                            | 47,418.08                   | 1,05,278.11                 |
| Net Increase/(Decrease) in Cash or Cash Equivalent                        | 47,418.08                   | 1,05,278.11                 |
| <b>Cash &amp; Cash Equivalent at the End of the Year</b>                  | <b>2,03,759.89</b>          | <b>1,56,341.81</b>          |

**For and on behalf of**

**M/s. Ashwani & Associates**

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

**(Sanjeeva Narayan)**

Partner

Membership Number: 084205

UDIN : 20084205AAAAALF5357

Date: 20.08.2020

Place: New Delhi

**On behalf of Security Printing and Minting Corporation of India Limited**

Sd/-

**(Sachin Agarwal)**

Company Secretary

(PAN: ADRPA9630Q)

Sd/-

**(Ajay Agarwal)**

Director (Finance) & CFO

(DIN : 06778079)

Sd/-

**(Tripti P. Ghosh)**

Chairman and Managing Director

(DIN : 08123112)



*Manufacturer of Instruments of Faith*



## SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

### Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2020

#### A. Equity Share Capital

(Amount in ₹ lakhs)

| Balance as at April 1, 2018 | Change During the year | Balance as at March 31, 2019 |
|-----------------------------|------------------------|------------------------------|
| 1,06,424.10                 | -                      | 1,06,424.10                  |
| Balance as at April 1, 2019 | Change During the year | Balance as at March 31, 2020 |
| 1,06,424.10                 | 7,674.03               | 98,750.07                    |

#### B. Other Equity

| Particulars                                                                  | Other Equity        |                 |                   |                            |                                  | Total       |
|------------------------------------------------------------------------------|---------------------|-----------------|-------------------|----------------------------|----------------------------------|-------------|
|                                                                              | Reserve and Surplus |                 |                   |                            | Other Comprehensive Income (OCI) |             |
|                                                                              | Capital Reserve     | General Reserve | Retained Earnings | Capital Redemption Reserve |                                  |             |
| Balance as on 31 <sup>st</sup> March, 2018                                   | 33,819.95           |                 | 2,83,606.68       | 11,824.90                  | (2,003.10)                       | 3,27,248.43 |
| Net Profit for the Year 2018-19                                              | -                   | -               | 60,224.54         | -                          | -                                | 60,224.54   |
| Items of Other Comprehensive Income recognized directly in retained earnings | -                   | -               | -                 | -                          | 374.50                           | 374.50      |
| Dividend Distribution Tax                                                    | -                   | -               | (4,286.90)        | -                          | -                                | (4,286.90)  |
| Dividend Paid for the Previous Year                                          | -                   | -               | (20,487.15)       | -                          | -                                | (20,487.15) |
| Balance as on 31 <sup>st</sup> March 2019                                    | 33,819.95           | -               | 3,19,057.17       | 11,824.90                  | (1,628.60)                       | 3,63,073.42 |
| Net Profit for the Year 2019-20                                              | -                   | -               | 65,816.76         | -                          | 1,976.06                         | 67,792.82   |
| Adjustment of provision of MoF                                               | -                   | -               | 0.05              | -                          | -                                | 0.05        |
| Items of Other Comprehensive Income recognized directly in retained earnings |                     |                 |                   |                            |                                  |             |
| Dividend Paid for the Previous Year                                          | -                   | -               | (21,848.00)       | -                          | -                                | (21,848.00) |
| Dividend Distribution Tax                                                    | -                   | -               | (4,490.92)        | -                          | -                                | (4,490.92)  |
| Dividend Distribution Tax JV                                                 | -                   | -               | (822.21)          | -                          | -                                | (822.21)    |
| Buy Back of Shares                                                           | -                   | -               | (21,671.45)       | -                          | -                                | (21,671.45) |
| Transfer to Capital Redemption Reserve                                       | -                   | -               | (7,674.03)        | 7,674.03                   | -                                | -           |
| Income Tax on Buy Back of Shares                                             | -                   | -               | (5,048.58)        | -                          | -                                | (5,048.58)  |
| TOTAL                                                                        | 33,819.95           |                 | 3,23,318.79       | 19,498.93                  | 347.46                           | 3,76,985.12 |

As per our report of even date attached.

**For and on behalf of**

**M/s. Ashwani & Associates**

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

**(Sanjeeva Narayan)**

Partner

Membership Number: 084205

UDIN : 20084205AAAALF5357

Date: 20.08.2020

Place: New Delhi

**On behalf of Security Printing and Minting Corporation of India Limited**

Sd/-

**(Sachin Agarwal)**

Company Secretary

(PAN: ADRPA9630Q)

Sd/-

**(Ajay Agarwal)**

Director (Finance) & CFO

(DIN : 06778079)

Sd/-

**(Tripti P. Ghosh)**

Chairman and Managing Director

(DIN : 08123112)





## SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### Note 1 Company Overview

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

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

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

#### Note 2 Significant Accounting Policies

##### 2.1 Basis of Preparation and Presentation of Financial Statement

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

Accounting policies are consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting

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

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

##### 2.2 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are disclosed at appropriate places.

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

##### 2.3 Current versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or



- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

#### **All other Assets are Classified as Non-Current.**

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

#### **A Liability is current when:**

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

The Company classifies all other liabilities as non-current.

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

## **2.4 Summary of Significant Accounting Policies**

### **2.4.1 Revenue Recognition**

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

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

Amount disclosed as revenue are net of GST.

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

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

In case of Bank Notes, revenue is recognized at predetermined rates.

The differences, if any, between the billing rates and the rates as approved by the Ministry of Finance on year to year basis is accounted for in the financial year, in which such rates are accepted by RBI.

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

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

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

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

### **2.4.2 Employee Benefits**

#### **a) Short-term Obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.



**b) Other Long-term Employee Benefit Obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**c) Post-employment Obligations**

The Company operates the following post-employment schemes:

- (i) Defined benefit plans such as gratuity, pension, post-employment medical plans; and
- (ii) Defined contribution plans such as provident fund.

**(i) Defined Benefit Plans**

The Company's gratuity scheme is a defined benefit plan. A defined benefit plan is a post-employment benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits that employee have earned in return for their services in the current and prior periods. As per the order of the Government of India transferring the assets and liabilities of Units to the Company, most of the employees of the units were transferred on deemed deputation for a period of 2 years from the date of transfer i.e. 10/02/2006 which was further extended for another 12 months. A

notification was issued by the Government of India regarding absorption of employees in the company. Options were exercised and Government of India accepted absorption of employees in the company on 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, either opt for "Combined Pension" or "Pro Rata Pension". Combined pension optees are eligible to get their pension from the SPMCIL Pension Trust constituted by Government of India at the time of their superannuation from company. Government of India shall contribute for the past services rendered and company shall contribute for the period they will serve the company. Manner and amount of contribution shall be governed by Rule 37-A of Central Civil Services (Pension) Rules. However, the company is making provision for pensionary charges of these employees as per the actuarial valuation in accordance with Ind AS. Contribution by Government to the company in subsequent years will be accounted for in the year of receipt.

**(a) Gratuity**

Gratuity is a post-employment defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the Balance Sheet date. The Company's liability is actuarially determined at the end of each year. Actuarial gains/ losses through remeasurement are recognised in other comprehensive income.

**(b) Pension and Gratuity Obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of





the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

These are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**(c) Post-employment Medical Obligations**

Liability in respect of Post-Retirement Medical Benefits, a defined benefit plan, is being provided as per actuarial valuation. The difference between liability balance and accrued liability at the end of the year based on actuarial valuation is charged to other comprehensive income.

**(d) Bonus Plans**

The company recognises a provision where

contractually obliged or where there is a past practice that has created a constructive obligation.

**(ii) Defined Contribution Plans**

The company's provident fund scheme is a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions and will have no obligation to pay further amounts. Obligation for contributions to defined contribution plans are recognised as employees benefit expenses in the statement of Profit and Loss when they are due.

**2.4.3 Taxes**

**a) Current Tax**

The current tax expense for the period is determined as the amount of tax payable in respect of taxable income for the period, based on the applicable income tax rates.

Current tax relating to items recognised in other comprehensive income or equity is recognised in other comprehensive income or equity, respectively.

**b) Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

Deferred tax relating to items recognised in



other comprehensive income or equity is recognised in other comprehensive income or equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

#### 2.4.4 Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of Property, Plant and Equipment are stated at historical cost less depreciation and impairment if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items until they are ready for use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which these are incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Mobile phone instruments purchased by the staff as per the policy of the company and reimbursed by the company are not capitalized but charged to the revenue.

#### 2.4.5 Depreciation Methods / Estimated Useful Lives and Residual Value

##### a) Tangible Assets

Depreciation is provided on pro rata basis on Straight Line Method over the estimated useful life of the assets as prescribed in Schedule-II of the Companies Act, 2013 except in respect of the assets where the useful life is different based upon the technical evaluation done by the management. The estimates of the useful life of assets are as follows:-

| Assets          | Useful life              |
|-----------------|--------------------------|
| Lease hold land | Over the period of lease |
| Building        | 60 Years                 |

| Assets                         | Useful life                                         |
|--------------------------------|-----------------------------------------------------|
| Factory Building               | 30 Years                                            |
| Plant & Machinery              | 15 years (Single Shift),<br>10 years (Double Shift) |
| Furniture & Fixture            | 10 years                                            |
| Office equipment               | 5 years                                             |
| Vehicles                       | 8 years                                             |
| Computers                      | 3 years                                             |
| Others                         | 10 years                                            |
| Assets costing less than ₹5000 | The year of purchase                                |

The assets residual values and useful life of assets are reviewed by the management at the end of each reporting period. The asset carrying amount is written down to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

##### b) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that these are available for use.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives in the manner as prescribed in Schedule II of the Companies Act 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II of the Companies Act 2013 are used:

|                                                                                                       |                              |
|-------------------------------------------------------------------------------------------------------|------------------------------|
| Computer software costing less than ₹ 1 lakh                                                          | 100% in the year of purchase |
| Computer software costing more than ₹1 lakh (where the useful life is less than or equal to one year) | 100% in the year of purchase |
| Computer software costing more than ₹1 lakh (in other cases)                                          | 33.33% on SLM                |
| Assets costing less than ₹5000                                                                        | 100% in the year of purchase |

#### 2.4.6 Inventories

Inventories are valued at the lower of Cost or Net



Realizable Value. Cost incurred in bringing each product to its present location & conditions are accounted as follow:-

- a) Raw Material, Work in Progress and Consumable Stores are valued at cost (Weighted average cost basis).
- b) Finished goods are valued at lower of the cost or net realizable value.
- c) Scraps are valued at net realizable value.
- d) Slow moving/obsolete inventories are valued at the lower of Cost or net realizable value.

#### **2.4.7 Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liabilities are disclosed in respect of possible obligations that have risen from past events and the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

A contingent asset is neither recognised nor disclosed.

#### **2.4.8 Foreign Currency Transactions**

Foreign currency denominated monetary transactions are recorded at the exchange rates prevailing on the date of respective transactions. Realized gains and losses on foreign currency transactions during the year are recognised in Profit and Loss Account.

Foreign-currency denominated monetary assets and liabilities remaining unsettled at the Balance Sheet date are translated at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in the

Statement of Profit and Loss.

#### **2.4.9 Financial Instruments**

##### **a) Component of Financial Instruments**

- (i) Financial Assets includes, in particulars, cash and cash equivalents, trade receivables, other current receivables and callable security deposits.
- (ii) Financial Liabilities includes, in particulars, borrowings, trade payables and other current payables.

##### **b) Initial Recognition**

The company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All the financial assets and financial liabilities are recognised at fair value, which represents the transaction cost at the date of transaction.

##### **c) Subsequent Recognition & Impairment**

Subsequent recognition of financial assets and financial liabilities are at fair value, if the carrying amount is a reasonable approximation of the fair value it is maintained at that value. Any diminution / impairment in value is recognised in statement of profit and loss as impairment gain / loss.

##### **d) Derecognition of Financial Assets and Financial Liabilities**

A financial assets is derecognized when the contractual rights to the cash flow is realised or forfeited. The financial liability is derecognized when the underlying obligation relating to the liability is fulfilled, terminated or extinguished.

#### **2.4.10 Investment**

##### **a) In Joint Venture**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The investment in joint venture is recognised at Cost.





## **b) Other Investments**

Investments in mutual funds are classified at fair value through the Statement of Profit & Loss Account.

### **2.4.11 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### **2.4.12 Cash and Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### **2.4.13 Cash Flow Statement**

Cash Flow Statement is reported using the indirect method as per Ind AS 07, Statement of Cash Flow.

### **2.4.14 Cash Dividend to Equity Holders**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### **2.4.15 Earnings per Share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent

(after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

### **2.4.16 Leases**

Lease payments under an operating lease are recognised as an expense in the profit and loss account on accrual basis.

### **2.4.17 Non-current Assets held for Sale**

Non-current assets are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. These are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and their related liabilities are presented separately in the balance sheet, if any. Non-current assets are not depreciated or amortized while they are classified as held for sale.

### **2.4.18 Impairment of Assets**

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### **2.4.19 Materiality of Income/Expenditure**

An item of income or expenditure of one or more prior periods is considered material if, it exceeds 0.5% of total revenues of the company, as per last years audited financial statements, in each such case.



## **Significant Accounting Policies in case of Bank Note Paper Mill India Pvt. Limited (Joint Venture)**

### **Note 1 Company Overview**

#### **A. Company Overview**

Bank Note Paper Mill India Private Limited (the Company) is incorporated as Private Company under the provisions of the Companies Act, 1956 (CIN: U21090KA2010PTC055475) and domiciled in India having its corporate & registered office at Entry Gate-1, Administrative Building, Paper Mill Compound, Note Mudran Nagar, Mysore - 570003 with the main objects inter-alia of developing, designing, manufacturing and supplying of Bank Note Paper (CWBN paper) & other security paper. The company is a 50:50 Joint Venture between Security Printing & Minting Corporation of India Limited (A Govt. of India Enterprise) and Bharatiya Reserve Bank Note Mudran Private Limited (A wholly owned subsidiary of Reserve Bank of India). As clarified by Ministry of Finance, Govt. of India, the Company is a Special Purpose Vehicle (SPV) of Govt. of India.

The company is primarily engaged in the manufacturing and sale of CWBN paper to its Joint Venture Partners as per the Joint Venture cum shareholders agreement.

### **Note 2 Significant Accounting Policies**

#### **A. Basis of Preparation of Financial Statements**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis except certain financial assets and liabilities which are measured at fair value on accrual basis. The methods used to measure fair values are discussed further in notes to financial statements. The financial statements comply in all material aspects with IND AS notified under Section 133 of the Companies Act, 2013 (the Act) (Companies (Indian Accounting Standards) Rules, 2015) and other relevant provisions of the Act.

#### **B. Classification of Current and Non-current**

Classification between current and non-current assets and liabilities are done on the basis of expected realisation/liquidation within twelve months from the reporting date. However, Capital advances are classified as non-current asset.

#### **C. Use of Estimates and Management Judgements**

The preparation of the accompanying financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent amounts and liabilities as on the date of financial statement and reported amounts of revenue and expenses during the reporting period. Accordingly, reasonable estimate is made where ever found applicable. The areas involving critical estimates or judgments are:-

- i. **Estimated useful life of Property, Plant & Equipment (PPE)** – The estimated useful life of PPE is based on technical parameters, spare parts support, wear & tear, technological advancement in payment system, pattern of demand for bank note paper. The Company reviews at the end of each reporting date the useful life of property, plant and equipment and are adjusted prospectively, if appropriate.
- ii. **Estimated Residual Value of PPE** – In view of the security sensitivity of its product and the manufacturing facility which are not freely tradable in the market there may not be a market for retired/discarded assets for assessing the value for sale/disposal. In the assessment of the technical committee the retired/discarded assets can be best disposed off internally. In such a case the residual value of the retired assets is taken as 5% of the original cost as prescribed in Schedule II to the Companies Act, 2013 which according to the



internal committee, is a reasonable estimate.

- iii. **Post-employment Benefit Plans** - Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, ceiling limit, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate.
- iv. **Provisions and Contingencies** - Provisions and contingencies are made in accordance with Ind AS 37 based on best judgment by management regarding the probability of exposure to potential loss.
- v. **Taxation** - Tax expense is calculated using applicable tax rate and relevant judicial pronouncements. Deferred income tax assets are recognized to the extent it is probable that future taxable income will be available against which the deductible temporary differences, unused tax credits & unabsorbed depreciation could be utilised.
- vi. **Fair Value Measurements** - Some of the Company's financial assets and liabilities are measured at fair value for financial reporting purposes. Information about the valuation techniques are disclosed in Note 32 of explanatory notes to accounts.
- vii. **Indicators for Impairment of Assets** - Indicators for impairment of assets are evaluated based on internal and external indications such as physical damage, frequent repair and maintenance of assets, technological, economical or legal changes in the market that has an adverse effect on the company's business.
- viii. **Leases** - The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

#### **D. Property, Plant and Equipment**

- i. Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and impairment, if any. All expenses including administrative and general overhead expenses and related borrowing cost that are directly attributable to construction or acquisition of fixed assets up to the point the related assets are ready for their intended use are accumulated net of capital receipts, if any, and allocated and capitalised on a systematic basis to the related PPE. The Property, Plant and Equipments are componentised as per internal technical evaluation even though the components are having the same useful life as that of the related machine.
- ii. Initial pack of machinery spares supplied along with the Property, Plant & Equipment (PPE) are capitalised and depreciated over the useful life of the relative PPE. Subsequent acquisition of spares individually costing ₹20 lakhs and above which meets the definition





of PPE as given in Ind AS 16 are capitalised along with the related PPE and depreciated over the lower of its useful life or the remaining expected useful life of the equipment which it is associated.

- iii. In case of assets put to use where final settlement of bills of contractors is pending, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.
- iv. Subsequent expenditures relating to PPE are capitalised only when it is probable that, future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.
- v. Property, Plant and Equipment is de-recognized where no future economic benefits are expected from their use or upon their disposal / discardal / write-offs/impairments. The resultant gain or losses are recognised in the statement of profit and loss.
- vi. Assets held for disposal are reported at the lower of the carrying value and net realisable worth.
- vii. Repairs and maintenance costs except major repairs and overhaul expenses are recognised in the statement of profit and loss when incurred

#### **E. Depreciation and Amortisation:**

- i. The company depreciates PPE over their useful lives using the straight line method as specified in schedule II to the Companies Act, 2013 except, the following assets on which depreciation is provided on their estimated useful life ascertained on technical evaluation:

| Assets                                 | Useful Life | Residual Value | Depreciation Rate (SLM) |
|----------------------------------------|-------------|----------------|-------------------------|
| <b>Plant &amp; Machinery</b>           |             |                |                         |
| Continuous Process Plant               | 12 Years    | 5% of Cost     | 7.92%                   |
| Improvements in the Leasehold building | 5 Years     | 5% of Cost     | 19.00%                  |
| Reference Books                        | 1 Year      | Nil            | 100.00%                 |

- ii. Items of assets valuing ₹5000/- or less in each case is charged off @ 95% (5% is taken as residual value) in the year of acquisition.
- iii. Based on technical evaluation, the management considers that, the useful lives as given above best represent the period over which the economic benefits can be utilised with the same standards of performance.
- iv. Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in price adjustment, in final settlement of contractors' bills, changes in duties or similar other factors, the un-amortized balance of such assets is charged off prospectively over the remaining useful life of the related assets.

#### **F. Capital Work-in-Progress:**

- i. The cost of assets under construction/ inspection/erection etc. and not put to use during the period are disclosed under "Capital Work in-progress". Expenses/income which are directly attributable to such assets under construction etc. are also accumulated under the head pre-operative expenses pending allocation.

#### **G. Intangible Assets:**

- i. Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost less accumulated amortization and impairment, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Intangible assets such as Computer Software and Licenses are amortised on Straight Line Method @ 100% in the year it is put to use/ready for use.
- ii. Intangible asset such as Company Logo/ Trademark are being amortised on straight line basis @ 20% p.a.
- iii. ERP system are being amortised on straight line basis over the useful life of three years as estimated by the management.



- iv. **Intangible Assets under Development** - Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.
- v. An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal are recognized in the statement of profit and loss.

#### **H. Impairment of Non-financial Assets:**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 - 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in statement of profit or loss. Impairment losses recognised in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period

#### **I. Valuation of Inventory**

- i. **Raw Materials** – Inventories are carried at cost or net realisable value whichever is lower. Cost is determined using the weighted average method.
- ii. **Non-Interchangeable inventories** - Denomination specific security threads are not ordinarily interchangeable which are segregated and valued by using specific identification of their individual costs or net realisable value whichever is lower.
- iii. **Stores & Spares** - are carried at cost or net realisable value whichever is lower. Necessary

provision is made and expensed in case of identified obsolete and non-moving items.

- iv. **Finished goods and work in progress** – are valued at cost or net realisable value whichever is lower. Cost includes direct materials, labour and other manufacturing overheads, which are absorbed on the normal capacity of production.
- v. Net realisable value means estimated selling price in the ordinary course of business, less estimated cost of completion/ the estimated costs necessary to make the sale as may be applicable.

#### **J. Foreign Currency Transactions/Translations:**

Foreign currency is a currency other than the functional currency of the company.

- i. **Functional Currency** - The functional currency of the company is Indian rupee. These financial statements are presented in Indian rupees (Rounded off to nearest two decimal points of lakh of Rupees).
- ii. **Transactions and translations** – Foreign currency transactions are accounted for at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are recognised in the statement of profit & loss for the period in which it occurs.

#### **K. Revenue Recognition**

- i. **Revenue from Operation:** Revenue from sale of CWBN papers is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is delivered to the customer.

Revenue is measured at the amount of transaction price allocated to that



performance obligation. Transaction price includes Freight, Insurance and Escorts charges but excludes taxes collected from customers. Revenue is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

- ii. **Other Income:** Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Other income is recognised when it can be measured reliably with reasonable certainty of realisation or on actual realisation whichever is earlier.

## **L. Financial Instruments**

### **Component of financial Assets & Liabilities:**

- i. Financial Assets include, in particulars, cash and cash equivalents, trade receivables, investment in liquid and liquid plus mutual fund schemes, other current receivables and callable security deposits;
- ii. Financial liabilities include, in particular, borrowings, trade payables and other current payables.

### **Initial Recognition:**

The company recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instruments at fair value, which represents the transaction cost on the date of transaction.

### **Subsequent Recognition & Impairment:**

Financial assets are recognised at fair value at the year end and financial liabilities are measured at amortised cost. If the carrying amount is a reasonable approximation of the fair value it is maintained at that value. Any diminution/impairment in value is recognised

in statement of profit and loss as impairment gain/loss. Information about the valuation techniques are disclosed in Note 32 of explanatory notes to accounts.

### **Offsetting of Financial Assets & Liabilities:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **De-recognition of financial assets and liabilities:**

A financial asset is derecognised when the contractual rights to the cash flows is realised or ceased. The financial liability is derecognised when the underlying obligation relating to the liability is fulfilled, terminated or extinguished.

### **Derivative Financial Instruments:**

The company designates forward currency exchange contracts as cash flow hedge. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken to statement of profit and loss.

## **M. Employee Benefits**

### **Post - Employment Benefits:**

**Defined Contribution Plan** - The Company pays fixed contribution to provident fund at pre-determined rates and will have no legal or constructive obligation to pay further amounts. The contribution to the fund for the period is recognised as expenses and is charged to statement of profit and loss.

**Defined Benefit Plans** - The employee gratuity





scheme, post-retirement medical benefit scheme, compassionate package for the dependents scheme and leave salary are classified as defined benefit retirement plan. The present value of the obligation under such defined benefit plans are determined based on actuarial valuation using projected unit credit method and are unfunded. Non-accumulating compensated absences are recognised in the period in which the absences occur.

**Short term and other Employee Benefits:**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia, if any, are recognised in the period in which the employee renders the related service. Liabilities recognised in respect of other long-term employee benefits such as accumulated non vesting sick leave are measured based on the actuarial valuation using projected unit credit method and are unfunded.

**N. Other Provisions**

Provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**O. Cash Flow Statement**

Cash flows are reported using the indirect method as per IND AS 07. Cash and cash equivalent in the Balance Sheet comprise cash at banks, cash/cheques on hand and fixed deposits that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value.

**P. Income Taxes**

- i. Income tax expense comprises current and deferred income tax. Income tax expense

is recognised in the statement of profit and loss except to the extent it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

- ii. The current tax is net of Minimum Alternate Tax (MAT) credit entitlement, which is recognised when there is convincing evidence that, the company will pay normal income tax during the specified period over which credit set off is allowed under the Income Tax Act.
- iii. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets or liabilities are reviewed at each reporting date and are adjusted to the extent it is no longer probable that the related tax benefit will be realised.
- iv. Deferred income tax assets and liabilities are measured using tax rates and applicable tax laws as at the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The deferred tax assets are recognised only to the extent it is probable that sufficient future taxable income will be available.

**Q. Earning per Equity Share**

- i. Basic earnings per equity share is computed by dividing the net profit after tax attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.
- ii. Diluted earnings per equity share is computed by dividing the net profit after tax attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earning per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.



## **R. Leases:**

### **Accounting Policy applicable with effect from 1st April 2019**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

As per Ind AS-116, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i) the contract involves the use of an identified asset;
- ii) the Company has the right to obtain sufficiently all the economic benefits from the use of the asset throughout the period of use; and
- iii) the Company has the right to control the use of the asset.

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use assets is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset, unless the title to the asset transfers at the end of the lease term, in which case the asset is depreciated over the useful life. The estimated useful lives of right-of-use assets are determined on the basis of unexpired lease period.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Company. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **Transition to Ind AS 116**

Effective April 01, 2019, the Company has adopted Ind AS 116 – Leases and applied the standard to the lease contract existing on April 01, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the date of initial application at a present value of the remaining lease payments discounted at the incremental borrowing rate and the right of use asset at an amount equal to the lease liability at the date of initial application. Accordingly, the Company has not restated comparative information.



### Note 3 Property, Plant & Equipment

(Amount in ₹ Lakhs)

| Particulars                            | Gross Block              |                  |                 |                   | Depreciation             |                          |                           | Impairment  |               | Total net carrying amount |                          |
|----------------------------------------|--------------------------|------------------|-----------------|-------------------|--------------------------|--------------------------|---------------------------|-------------|---------------|---------------------------|--------------------------|
|                                        | Balance as on 01.04.2019 | Additions        | Disposals       | Adjustments       | Balance as on 31.03.2020 | Balance as on 01.04.2019 | Depreciation for the year | Adjustments | Disposal      | Balance as on 31.03.2020  | Balance as at 31.03.2020 |
| <b>Property, Plant &amp; Equipment</b> |                          |                  |                 |                   |                          |                          |                           |             |               |                           |                          |
| Land                                   | 475.71                   | -                | -               | -                 | 475.71                   | -                        | -                         | -           | -             | -                         | 475.71                   |
| Lease Hold Land                        | 190.47                   | -                | -               | -                 | 190.47                   | 11.11                    | 2.78                      | -           | -             | 13.89                     | 176.58                   |
| Building                               | 9,474.39                 | 203.75           | -               | -                 | 9,678.14                 | 1,291.78                 | 443.70                    | -           | -             | 1,735.48                  | 7,942.67                 |
| Factory Building                       | 16,281.83                | 1,542.45         | -               | 0.00              | 17,824.28                | 1,930.61                 | 689.00                    | -           | -             | 2,619.61                  | 15,204.68                |
| Plant and Equipment                    | 1,40,421.31              | 6,276.69         | 256.19          | 20.46             | 1,46,421.34              | 36,116.78                | 11,151.53                 | -           | 229.93        | 47,038.38                 | 99,379.77                |
| Furniture and Fixtures                 | 987.34                   | 58.60            | 1.18            | 1.39              | 1,043.38                 | 339.87                   | 102.06                    | -           | 0.86          | 441.07                    | 602.31                   |
| Vehicles                               | 306.22                   | 72.84            | 15.41           | -                 | 363.65                   | 127.03                   | 36.80                     | -           | 14.90         | 148.93                    | 214.72                   |
| Office Equipments                      | 930.21                   | 225.21           | 2.73            | (17.65)           | 1,170.34                 | 466.27                   | 126.23                    | -           | 2.39          | 590.11                    | 580.23                   |
| <b>Other Equipments</b>                |                          |                  |                 |                   |                          |                          |                           |             |               |                           |                          |
| - Computers & Printers                 | 1,588.47                 | 173.88           | 22.79           | (1.69)            | 1,741.25                 | 1,109.27                 | 149.92                    | 3.35        | 15.29         | 1,240.54                  | 500.71                   |
| - Railway Siding                       | 409.14                   | -                | -               | -                 | 409.14                   | 35.84                    | 25.88                     | -           | -             | 61.72                     | 347.42                   |
| - Electrical Installation              | 4,462.56                 | 329.60           | -               | (0.02)            | 4,792.18                 | 1,788.84                 | 483.69                    | -           | -             | 2,269.53                  | 2,519.65                 |
| - S&D Assets                           | 15.59                    | -                | -               | -                 | 15.59                    | -                        | 0.96                      | -           | -             | 0.96                      | 14.63                    |
| - R&D Assets                           | 281.89                   | 15.28            | -               | -                 | 297.17                   | 85.09                    | 33.33                     | -           | -             | 118.42                    | 178.75                   |
| - Tools                                | 0.12                     | -                | -               | -                 | 0.12                     | 0.01                     | 0.01                      | -           | -             | 0.02                      | 0.10                     |
| - Lower Asset Value                    | 1.47                     | 2.38             | -               | -                 | 3.85                     | 1.46                     | 1.42                      | -           | -             | 2.88                      | 0.97                     |
| - Lab Equipments                       | 125.10                   | 2.29             | -               | -                 | 127.39                   | 21.13                    | 12.13                     | -           | -             | 33.26                     | 94.13                    |
| <b>TOTAL (A)</b>                       | <b>1,75,951.82</b>       | <b>8,902.98</b>  | <b>298.30</b>   | <b>2.49</b>       | <b>1,84,554.01</b>       | <b>43,325.10</b>         | <b>13,256.43</b>          | <b>3.35</b> | <b>263.38</b> | <b>56,314.80</b>          | <b>3.19</b>              |
| <b>Previous Year</b>                   | <b>1,59,471.13</b>       | <b>10,692.34</b> | <b>239.77</b>   | <b>(6,028.13)</b> | <b>1,75,951.83</b>       | <b>30,803.66</b>         | <b>12,740.45</b>          | <b>1.15</b> | <b>217.86</b> | <b>43,325.10</b>          | <b>3.19</b>              |
| <b>Capital Work in Progress</b>        |                          |                  |                 |                   |                          |                          |                           |             |               |                           |                          |
| Capital Work in Progress               | 1,178.86                 | 7,595.30         | -               | (1,168.46)        | 7,605.70                 | -                        | -                         | -           | -             | -                         | 7,605.70                 |
| <b>TOTAL (B)</b>                       | <b>1,178.86</b>          | <b>7,595.30</b>  | <b>-</b>        | <b>(1,168.46)</b> | <b>7,605.70</b>          | <b>-</b>                 | <b>-</b>                  | <b>-</b>    | <b>-</b>      | <b>-</b>                  | <b>-</b>                 |
| <b>Previous Year</b>                   | <b>7,549.04</b>          | <b>1,432.02</b>  | <b>1,264.35</b> | <b>6,537.85</b>   | <b>1,178.86</b>          |                          |                           |             |               | <b>1,178.86</b>           | <b>7,549.04</b>          |

### Note 4 Intangible Assets

| Particulars          | Gross Block              |              |              |          | Depreciation             |                          |                             | Total net carrying amount |           |
|----------------------|--------------------------|--------------|--------------|----------|--------------------------|--------------------------|-----------------------------|---------------------------|-----------|
|                      | Balance as on 01.04.2019 | Additions    | Disposals    | Adj.     | Balance as on 31.03.2020 | Balance as on 01.04.2019 | Depreciation for the period | Adj.                      | Disposals |
| Computer Software    | 731.47                   | -            | 34.46        | -        | 765.93                   | 589.66                   | 25.81                       | -                         | -         |
| <b>Total</b>         | <b>731.47</b>            | <b>-</b>     | <b>34.46</b> | <b>-</b> | <b>765.93</b>            | <b>589.66</b>            | <b>25.81</b>                | <b>-</b>                  | <b>-</b>  |
| <b>Previous Year</b> | <b>692.63</b>            | <b>38.84</b> | <b>38.84</b> | <b>-</b> | <b>731.47</b>            | <b>487.22</b>            | <b>102.44</b>               | <b>-</b>                  | <b>-</b>  |





## Note 5 (i)

### (a) Non-Current Investments

(Amount in ₹ lakhs)

| Particulars                                                                                                                                                                                                                                                                | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Investment in Equity Instruments in Joint Venture at Cost<br>(Unquoted Equity Shares of Bank Note Paper Mill India Pvt Ltd. {JV of Security Printing and Minting Corporation of India Ltd and Bhartiya Reserve Bank Note Mudran Pvt Ltd [40,00,00,000 Shares @ ₹10 each]}) | 84,776.22                                    | 72,541.75                                    |
| <b>Total Investment</b>                                                                                                                                                                                                                                                    | <b>84,776.22</b>                             | <b>72,541.75</b>                             |

### (b) Investments - Current

| Particulars                                          | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Investment in Mutual funds - Quoted                  |                                              |                                              |
| SBI Mutual Fund                                      | -                                            | -                                            |
| UTI Treasury Advantages Fund' (Valued at Fair value) | -                                            | -                                            |
| <b>Total Investment</b>                              | <b>-</b>                                     | <b>-</b>                                     |

## Note 5 (ii)

### (a) Trade Receivables - Non Current

(Amount in ₹ lakhs)

| Particulars                                                                 | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-----------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| (i) Trade Receivables                                                       |                                              |                                              |
| (a) Secured, Considered Good                                                | -                                            | -                                            |
| (b) Unsecured, Considered Good                                              | 10,899.04                                    | 9,242.93                                     |
| (c) Doubtful                                                                | -                                            | -                                            |
| (d) Trade Receivable which have significant increase<br>in credit risk: and | 8,956.50                                     | 9,339.47                                     |
| (e) Trade Receivable Credit Impaired                                        | -                                            | -                                            |
| <b>Total (A)</b>                                                            | <b>19,855.54</b>                             | <b>18,582.40</b>                             |
| (i) Allowance for Bad Debts                                                 | 11,829.49                                    | 10,556.35                                    |
| (ii) Provision for Rate Difference                                          | 8,026.05                                     | 8,026.05                                     |
| <b>Total (B)</b>                                                            | <b>19,855.54</b>                             | <b>18,582.40</b>                             |
| <b>Total Trade Receivables (A-B)</b>                                        | <b>-</b>                                     | <b>-</b>                                     |



**(b) Trade Receivables - Current**

(Amount in ₹ lakhs)

| Particulars                                        | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|----------------------------------------------------|----------------------------------------------|----------------------------------------------|
| (i) Trade Receivables                              |                                              |                                              |
| (a) Secured, Considered Good                       | 77.87                                        | -                                            |
| (b) Unsecured, Considered Good                     | 1,77,113.95                                  | 2,21,540.38                                  |
| (c) Doubtful                                       | 3,542.37                                     | 3,937.06                                     |
| (d) Which have significant increase in credit risk | 5.13                                         | 5.13                                         |
| (e) Credit Impaired                                | -                                            | -                                            |
| <b>Total (A)</b>                                   | <b>1,80,739.32</b>                           | <b>2,25,482.57</b>                           |
| (ii) Allowance for Bad Debts                       | 30,994.57                                    | 31,389.27                                    |
| (iii) Provision for Rate Differences               | 16,401.14                                    | 21,282.76                                    |
| <b>Total (B)</b>                                   | <b>47,395.71</b>                             | <b>52,672.03</b>                             |
| <b>Trade Receivables (C) i.e. (A-B)</b>            | <b>1,33,343.61</b>                           | <b>1,72,810.55</b>                           |
| (iii) Debts Due by Directors / Related Parties     | -                                            | -                                            |
| <b>Total (D)</b>                                   | <b>-</b>                                     | <b>-</b>                                     |
| <b>Total Trade Receivables</b>                     | <b>1,33,343.61</b>                           | <b>1,72,810.55</b>                           |

**Note 5 (iii)**

**(a) Loans - Non-Current**

(Amount in ₹ lakhs)

| Particulars                                        | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|----------------------------------------------------|----------------------------------------------|----------------------------------------------|
| (i) Security Deposit                               |                                              |                                              |
| (a) Secured, Considered Good                       | -                                            | -                                            |
| (b) Unsecured, Considered Good                     | 291.73                                       | 269.23                                       |
| <b>Total (A)</b>                                   | <b>291.73</b>                                | <b>269.23</b>                                |
| (ii) Loans Due from Directors / Related Parties    |                                              |                                              |
| (a) Secured, Considered Good                       | -                                            | -                                            |
| (b) Unsecured, Considered Good                     | -                                            | -                                            |
| (c) Doubtful                                       | -                                            | -                                            |
| (d) Which have Significant Increase in Credit Risk | -                                            | -                                            |
| (e) Credit Impaired                                | -                                            | -                                            |
| <b>Total (B)</b>                                   | <b>-</b>                                     | <b>-</b>                                     |
| (iii) Other loans                                  |                                              |                                              |
| (a) Secured, Considered Good                       |                                              |                                              |
| - Loan Due from Employees                          | 281.51                                       | 402.28                                       |
| (b) Unsecured, Considered Good                     | 25.26                                        | 81.62                                        |
| - Loan Due from Employees                          | 8.73                                         | 12.29                                        |
| (c) Doubtful                                       | -                                            | -                                            |
| (d) Which have Significant Increase in Credit Risk | -                                            | -                                            |
| (e) Credit Impaired                                | -                                            | -                                            |
| <b>Total (C)</b>                                   | <b>315.51</b>                                | <b>496.19</b>                                |
| (iv) Allowance for bad and doubtful loans          | -                                            | -                                            |
| <b>Total (D)</b>                                   | <b>-</b>                                     | <b>-</b>                                     |
| <b>Loans Due (E) i.e. (A+B+C-D)</b>                | <b>607.24</b>                                | <b>765.42</b>                                |
| (v) Loans due from Directors                       | -                                            | -                                            |
| <b>Total (F)</b>                                   | <b>-</b>                                     | <b>-</b>                                     |
| <b>Total Loan (E+F)</b>                            | <b>607.24</b>                                | <b>765.42</b>                                |



**(b) Loans - Current**

(Amount in ₹ lakhs)

| Particulars                                                              | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|--------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| (A) Security Deposit                                                     |                                              |                                              |
| (a) Secured, Considered Good                                             | 2.22                                         | 2.22                                         |
| (b) Unsecured, Considered Good                                           | -                                            | -                                            |
| (c) Doubtful                                                             | -                                            | -                                            |
| <b>Total (A)</b>                                                         | <b>2.22</b>                                  | <b>2.22</b>                                  |
| (B) Other Loans                                                          |                                              |                                              |
| (a) Loans Receivable Considered Good - Secured                           | -                                            | -                                            |
| (b) Loans Receivable Considered Good - Unsecured                         | 37.41                                        | 44.20                                        |
| (c) Loans to Employees                                                   | 148.47                                       | 101.16                                       |
| (d) Loans Receivable which have Significant Increase in Credit Risk; and | -                                            | -                                            |
| (e) Loans Receivable Credit Impaired                                     | -                                            | -                                            |
| <b>Total (B)</b>                                                         | <b>185.89</b>                                | <b>145.36</b>                                |
| <b>Total Loan (A+B)</b>                                                  | <b>188.10</b>                                | <b>147.58</b>                                |

**Note 5 (iv)**

**(a) Others - Non-Current**

(Amount in ₹ lakhs)

| Particulars                               | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-------------------------------------------|----------------------------------------------|----------------------------------------------|
| (i) Capital advance                       |                                              |                                              |
| - Unsecured, considered good              | 12.00                                        | -                                            |
| (ii) Advances other than capital advances | -                                            | -                                            |
| (a) Security Deposit                      | -                                            | -                                            |
| - Deposit with CISF                       | 483.17                                       | 406.80                                       |
| - Deposit with Electricity Board          | 1,043.72                                     | 1,018.27                                     |
| - Deposit with Tax Authorities/other      | 4,341.25                                     | 3,888.04                                     |
| (b) Advances to related parties           | -                                            | -                                            |
| (c) Other advances                        | 2.10                                         | -                                            |
| (iii) Advances to directors               | -                                            | -                                            |
| (iv) Other advances                       | 1,239.04                                     | 475.39                                       |
| <b>Total</b>                              | <b>7,121.28</b>                              | <b>5,788.50</b>                              |

**(b) Others - Current**

(Amount in ₹ lakhs)

| Particulars                          | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|--------------------------------------|----------------------------------------------|----------------------------------------------|
| Capital Advance                      | 313.36                                       | 4,044.07                                     |
| Advances other than Capital Advances | 546.89                                       | 2,625.60                                     |
| Security Deposit                     | -                                            | -                                            |
| Deposits with other Department       | 1.15                                         | 1.15                                         |
| Other Advances                       | 6.53                                         | 51.61                                        |
| Other Advances Receivables           | 337.87                                       | 3,796.86                                     |
| Interest Receivables on FDR          | 2,756.03                                     | 358.79                                       |
| Assets held for Sales                | 5,766.99                                     | 5,762.46                                     |
| <b>Total</b>                         | <b>9,728.81</b>                              | <b>16,640.53</b>                             |





## Note 5(v)

### Cash & Cash Equivalents

(Amount in ₹ lakhs)

| Particulars                                | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|--------------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>a)</b>                                  |                                              |                                              |
| Balances with Banks                        | 3,718.15                                     | 12,284.31                                    |
| Cheques, Draft on Hand                     | 10.86                                        | -                                            |
| Cash on Hand                               | 9.71                                         | 3.90                                         |
| Postage on Hand                            | 3.31                                         | 3.60                                         |
| <b>Total Cash &amp; Cash Equivalents</b>   | <b>3,742.03</b>                              | <b>12,291.81</b>                             |
| <b>b)</b>                                  |                                              |                                              |
| Bank Balances other than above             |                                              |                                              |
| - FDR (Maturity period more than 3 months) | 2,00,017.86                                  | 1,44,050                                     |
| <b>Total Bank Balances</b>                 | <b>2,00,017.86</b>                           | <b>1,44,050.00</b>                           |

## Note 6

### Deferred Tax Assets & Liabilities

(Amount in ₹ lakhs)

The tax effects of the significant temporary differences that resulted in deferred tax assets/liabilities are as follows:

| Particulars                                           | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>Deferred Tax Assets/(Liabilities)</b>              |                                              |                                              |
| Property, Plant and Equipment                         | (11,752.58)                                  | (16,391.91)                                  |
| Current Liabilities, Trade Receivables and Provisions | 82,204.69                                    | 1,10,827.58                                  |
| <b>Net Deferred Tax Assets</b>                        | <b>70,452.11</b>                             | <b>94,435.67</b>                             |

## Note 7

### Other Non-current Assets

(Amount in ₹ lakhs)

| Particulars                              | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|------------------------------------------|----------------------------------------------|----------------------------------------------|
| Other Receivables                        | -                                            | 8.36                                         |
| Advance to PAO                           | 34.61                                        | 34.61                                        |
| Advance to Others                        | 6.12                                         | 0.82                                         |
| Non Moving Inventory                     | -                                            | 1,359.33                                     |
| Less: Provision for Non-moving Inventory | -                                            | (1,297.57)                                   |
| <b>Total</b>                             | <b>40.74</b>                                 | <b>105.55</b>                                |



## Note 8

### Inventories (At lower of Cost or Net Realisable Value)

(Amount in ₹ lakhs)

| Particulars               | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|---------------------------|----------------------------------------------|----------------------------------------------|
| (a) Raw Materials         |                                              |                                              |
| - Raw Materials           | 70,841.23                                    | 83,157.67                                    |
| - Raw Material in Transit | 613.98                                       | 873.96                                       |
| - Goods in Transit        | -                                            | 2,753.49                                     |
| (b) Work-in-progress      | 61,144.91                                    | 37,020.88                                    |
| (c) Finished Goods        | 45,292.83                                    | 15,598.45                                    |
| - Goods in Transit        | -                                            | 1,826.71                                     |
| (d) Stores and spares     | 15,600.92                                    | 13,596.79                                    |
| (e) Others- Scrap         | 2,258.85                                     | 3,503.47                                     |
| - Other Inventory         | 445.90                                       | 459.97                                       |
| <b>Total Inventories</b>  | <b>1,96,198.61</b>                           | <b>1,58,791.39</b>                           |

## Note 9 (a)

### Current Tax Assets (Net)

(Amount in ₹ lakhs)

| Particulars                              | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|------------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>Balance with Income Tax Authority</b> |                                              |                                              |
| Advance Tax including TDS                | 26,855.64                                    | 92,431.00                                    |
| Less : Provision of Income Tax           | 26,600.00                                    | 95,413.18                                    |
| <b>Current Tax Assets - Net</b>          | <b>255.64</b>                                | <b>(2,982.18)</b>                            |

## Note 9 (b)

### Current Tax Liabilities (Net of Advance Tax)

(Amount in ₹ lakhs)

| Particulars                                         | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-----------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Provision for Income Tax                            | -                                            | -                                            |
| Less: Advance Tax/ TDS                              | -                                            | -                                            |
| <b>Current Tax Liabilities (Net of Advance tax)</b> | <b>-</b>                                     | <b>-</b>                                     |

## Note 10

### Other Current Assets

(Amount in ₹ lakhs)

| Particulars                              | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|------------------------------------------|----------------------------------------------|----------------------------------------------|
| Prepaid Expenses                         | 726.90                                       | 300.10                                       |
| Balance with Excise Authorities          | -                                            | 0.64                                         |
| Balance with Sales Tax / GST Authorities | 7,060.65                                     | 13,441.07                                    |
| Balance with Income Tax Authorities      | 2.67                                         | 2.70                                         |
| Assets held for disposal                 | -                                            | -                                            |
| PAO/C&C DEA Ministry of Finance (EPF)    | -                                            | 901.98                                       |



| Particulars                           | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|---------------------------------------|----------------------------------------------|----------------------------------------------|
| PAO/C&C DEA Ministry of Finance (GPF) | -                                            | 369.50                                       |
| Commemorative Coins                   | 0.96                                         | 0.96                                         |
| Other Receivables                     | 73.95                                        | 75.36                                        |
| Advances to Suppliers                 | 3,207.17                                     | 2,624.94                                     |
| Advances to CPWD                      | 113.00                                       | 55.46                                        |
| Advances to BSNL                      | -                                            | -                                            |
| <b>Total</b>                          | <b>11,185.30</b>                             | <b>17,772.70</b>                             |

## Note 11

### Issued Share Capital

(Amount in ₹ lakhs)

| Particulars                                           | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>Authorised Capital</b>                             |                                              |                                              |
| 2,50,00,00,000 Equity Shares of ₹10 Each              | <b>2,50,000.00</b>                           | <b>2,50,000.00</b>                           |
| <b>Issued and subscribed capital</b>                  |                                              |                                              |
| 118,24,90,000 Equity Shares of ₹10 Each               | 1,18,249.00                                  | 1,18,249.00                                  |
|                                                       | <b>1,18,249.00</b>                           | <b>1,18,249.00</b>                           |
| <b>Paid-up Capital</b>                                |                                              |                                              |
| 98,75,00,740 Equity Shares of ₹10 Each (Previous Year | 98,750.07                                    | 1,06,424.10                                  |
| 106,42,41,000 Equity Shares of ₹10 Each)              |                                              |                                              |
| <b>Total</b>                                          | <b>98,750.07</b>                             | <b>1,06,424.10</b>                           |

## Note 11A

### Reconciliation of equity shares outstanding at the beginning and at the end of year

(Figures in lakhs)

| Particulars                                                                                       | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|---------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Equity Shares at the beginning of the year                                                        | 10,642.41                                    | 10,642.41                                    |
| Add: Shares issued during the year                                                                | -                                            | -                                            |
| Less: Shares buyback during the year                                                              | 767.40                                       | -                                            |
| <b>Equity Shares outstanding at the end of the year i.e. as on<br/>31<sup>st</sup> March 2020</b> | <b>9,875.01</b>                              | <b>10,642.41</b>                             |

## Note 11B

Details of shares held by the holding company, their subsidiaries and associates : Nil

## Note 11C

### Details of shareholders holding more than 5% of the equity share capital of the Company

| Particulars           | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-----------------------|----------------------------------------------|----------------------------------------------|
|                       | No. of Shares in lakhs                       | No. of Shares in lakhs                       |
| a) President of India | 9,875.01                                     | 10,642.41                                    |
| b) % of No of shares  | 99.99                                        | 99.99                                        |





## Note 11D

Terms and rights attached to the equity shares of the Company : Nil

## Note 12

### Reserve & Surplus

(Amount in ₹ lakhs)

| Particulars                                                                        | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| (a) Capital Reserve                                                                | 33,819.95                                    | 33,819.95                                    |
| (b) General Reserve                                                                | -                                            | -                                            |
| (c) Retained Earnings (Surplus)                                                    | 3,23,666.25                                  | 3,17,428.57                                  |
| (d) Capital Redemption Reserve                                                     | 19,498.93                                    | 11,824.90                                    |
| <b>Total Reserve &amp; Surplus</b>                                                 | <b>3,76,985.12</b>                           | <b>3,63,073.42</b>                           |
| <b>(a) Capital Reserve</b>                                                         |                                              |                                              |
| As per last statement of financial position                                        | 33,819.95                                    | 33,819.95                                    |
| Add: Current year transfer                                                         | -                                            | -                                            |
| Less : Written back in current year                                                | -                                            | -                                            |
| <b>Total Capital Reserve</b>                                                       | <b>33,819.95</b>                             | <b>33,819.95</b>                             |
| <b>(b) General Reserve</b>                                                         |                                              |                                              |
| As per last statement of financial position                                        | -                                            | -                                            |
| Add: Current year transfer                                                         | -                                            | -                                            |
| Less : Transfer to Capital Redemption Reserve                                      | -                                            | -                                            |
| Less : Written back in current year                                                | -                                            | -                                            |
| Less: Buyback of shares                                                            | -                                            | -                                            |
| <b>Total General Reserve</b>                                                       | <b>-</b>                                     | <b>-</b>                                     |
| <b>(c) Retained Earnings</b>                                                       |                                              |                                              |
| As per last statement of financial position                                        | 3,17,428.57                                  | 2,81,603.58                                  |
| Add : Net Profit/(Loss) for the Current Year                                       | 65,816.76                                    | 60,224.54                                    |
| Add : Items of other comprehensive income recognized directly in retained earnings | 1,976.06                                     | 374.50                                       |
| : Remeasurement of Employees Defined Benefit Plans                                 | -                                            | -                                            |
| : Prior Period Items                                                               | -                                            | -                                            |
| : Disputed Claim                                                                   | -                                            | -                                            |
| : Depreciation                                                                     | -                                            | -                                            |
| : Adjustment on Fixed Assets                                                       | -                                            | -                                            |
| : Adjustment on Pension                                                            | -                                            | -                                            |
| : Adjustment of Provision of MoF                                                   | 0.05                                         | -                                            |
| Add : Transfer from Reserves                                                       | (7,674.03)                                   | -                                            |
| Less : Transfer to Corporate/HO                                                    | -                                            | -                                            |
| Less : Dividend Paid for the Previous Year                                         | (21,848.00)                                  | (20,487.15)                                  |
| Less : Dividend Distribution Tax                                                   | (4,490.92)                                   | (4,286.90)                                   |
| Less : Tax on Buy back                                                             | (5,048.58)                                   | -                                            |
| Less : Tax Dividend Distribution Tax JV                                            | (822.21)                                     | -                                            |
| Less : Buy Back Share                                                              | (21,671.45)                                  | -                                            |
| Less : Transfer to General Reserve for Buy Back of Shares                          | -                                            | -                                            |
| Add : Income Tax Adjustments for Earlier Years                                     | -                                            | -                                            |
| <b>Total Retained Earnings</b>                                                     | <b>3,23,666.25</b>                           | <b>3,17,428.57</b>                           |
| <b>(d) Capital Redemption Reserve</b>                                              |                                              |                                              |
| As per last statement of financial position                                        | 11,824.90                                    | 11,824.90                                    |
| Add : Current Year Transfer                                                        | 7,674.03                                     | -                                            |
| Less : Written back in Current Year                                                | -                                            | -                                            |
| <b>Total Capital Redemption Reserve</b>                                            | <b>19,498.93</b>                             | <b>11,824.90</b>                             |



## Financial Liabilities - Non-Current Borrowing

### Note 13 (i)

#### Borrowings

(Amount in ₹ lakhs)

| Particulars                         | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-------------------------------------|----------------------------------------------|----------------------------------------------|
| Loans & Borrowings                  | -                                            | -                                            |
| <b>Total Non-Current Borrowings</b> | <b>-</b>                                     | <b>-</b>                                     |

### Note 13 (ii)

#### Trade Payables

(Amount in ₹ lakhs)

| Particulars                                                                     | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|---------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>(a) Non-Current</b>                                                          |                                              |                                              |
| - Trade Payables                                                                |                                              |                                              |
| (A) Total outstanding dues of micro and small enterprises: and                  | -                                            | -                                            |
| (B) Total outstanding dues of creditors other than micro and small enterprises. | 360.74                                       | 780.77                                       |
| <b>Total Non-Current Trade Payable</b>                                          | <b>360.74</b>                                | <b>780.77</b>                                |
| <b>(b) Current</b>                                                              |                                              |                                              |
| - Trade payables                                                                |                                              |                                              |
| (A) Total outstanding dues of micro and small enterprises: and                  | 360.09                                       | 373.24                                       |
| (B) Total outstanding dues of creditors other than micro and small enterprises. | 26,126.84                                    | 25,904.03                                    |
| <b>Total Current Trade Payable</b>                                              | <b>26,486.93</b>                             | <b>26,277.27</b>                             |
| <b>Total Trade Payables</b>                                                     | <b>26,847.67</b>                             | <b>27,058.03</b>                             |

### Note 13(iii)

#### Other Financial Liabilities

(Amount in ₹ lakhs)

| Particulars                                             | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|---------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>Other Financial Liabilities - Non-Current</b>        |                                              |                                              |
| Funds from GOI - Adjustable                             | 15,854.05                                    | 17,976.76                                    |
| Loan from MoF                                           | 1.00                                         | -                                            |
| Adjustment during the year                              |                                              | 3,036.94                                     |
| <b>Funds Adjustable from Govt. of India - Total (a)</b> | <b>15,855.05</b>                             | <b>21,013.70</b>                             |
| <b>Other Financial Liabilities - Current</b>            |                                              |                                              |
| Earnest Money Deposit (EMD)                             | 452.98                                       | 444.69                                       |
| Security Deposit of Supplier/Vendors                    | 635.69                                       | 982.66                                       |
| Salaries and Wages and Other Employee Benefit Payable   | 1,744.77                                     | 2,954.94                                     |
| Recovery from Salary Payable to Concerned Authorities   | 749.14                                       | 943.96                                       |
| Expenses Payable                                        | 1,643.75                                     | 1,717.21                                     |
| Contribution to SPMCIL Pension Trust Payable            | 65.28                                        | 72.66                                        |
| Pensionary Charges Payable                              | 2.60                                         | 2.74                                         |
| Bank Book Overdraft                                     | 1,519.84                                     | 175.28                                       |
| Interest Payable on Long Term Loan from Gol             | 0.58                                         | -                                            |
| Gratuity Payable                                        | -                                            | -                                            |
| <b>Total (b)</b>                                        | <b>6,814.63</b>                              | <b>7,294.16</b>                              |



## Note 14

### Provisions

(Amount in ₹ lakhs)

| Particulars                         | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>(i) Non-Current Provisions</b>   |                                              |                                              |
| Other Provision                     |                                              |                                              |
| - Provision for Disputed Claims     | 36.92                                        | 5.00                                         |
| <b>Total Non-Current Provisions</b> | <b>36.92</b>                                 | <b>5.00</b>                                  |
| <b>(ii) Current Provisions</b>      |                                              |                                              |
| Other Provisions                    |                                              |                                              |
| - Other Short Term Provisions       | 3,712.22                                     | 6,405.36                                     |
| - Provision for Disputed Claims     | 83,043.21                                    | 78,496.30                                    |
| <b>Total Current Provisions</b>     | <b>86,755.43</b>                             | <b>84,901.66</b>                             |

## Note 15

### Employees Benefit Obligations

(Amount in ₹ lakhs)

| Particulars                                                           | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-----------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>(i) Non-Current Provisions</b>                                     |                                              |                                              |
| (a) Provision for Employee Benefits                                   |                                              |                                              |
| - Provision for Gratuity                                              | 18,442.89                                    | 15,893.95                                    |
| - Provision for Leave Encashment                                      | 26,285.39                                    | 25,564.03                                    |
| - Provision for Pensionary Charges Contribution                       | -                                            | -                                            |
| - Provision for Leave Salary Contribution                             | -                                            | -                                            |
| - Provision for Ex-Gratia                                             | 51.29                                        | 51.29                                        |
| - Provision for Post Retirement Medical Benefits                      | 10,459.34                                    | 7,533.45                                     |
| - Provision for Pension Trust Liability                               | 97,799.95                                    | 99,937.06                                    |
| <b>Total Non-Current Employees Benefit Obligations</b>                | <b>1,53,038.87</b>                           | <b>1,48,979.79</b>                           |
| <b>(ii) Current Provisions</b>                                        |                                              |                                              |
| (a) Provision for Employee Benefits                                   |                                              |                                              |
| - Provision for Leave Salary and Pensionary Charges                   | 42.35                                        | 42.84                                        |
| - Provision for Gratuity                                              | 3,027.58                                     | 2,239.59                                     |
| - Provision for Ex-Gratia /Bonus                                      | 461.54                                       | 330.51                                       |
| - Provision for Leave Encashment                                      | 5,083.41                                     | 3,948.90                                     |
| - Provision for Compensation in Lieu of<br>Compassionate Appointments | 442.98                                       | 529.69                                       |
| - Provision for PRP Payable 2016-17                                   | -                                            | -                                            |
| - Provision for PRP 16-17 & 17-18                                     | -                                            | -                                            |
| - Provision for Pension Trust Liability                               | 8,180.42                                     | 7,530.90                                     |
| - Provision for Post Retirement Medical Benefits                      | 819.77                                       | 843.15                                       |





| Particulars                                        | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|----------------------------------------------------|----------------------------------------------|----------------------------------------------|
| - PRP Payable                                      | 753.12                                       | 1,152.12                                     |
| - Provision for PRC 16-17 & 17-18                  | -                                            | -                                            |
| - Provision for PRP 2018-19 & 2019-20              | 791.37                                       | -                                            |
| - Other Employees Benefits Short-term Provisions   | 173.42                                       | 266.89                                       |
| - Arrears 3 <sup>rd</sup> PRC                      | -                                            | -                                            |
| <b>Total Current Employees Benefit Obligations</b> | <b>19,775.98</b>                             | <b>16,884.58</b>                             |

## Note 16

### Other Non-Current Liabilities

(Amount in ₹ lakhs)

| Particulars                                                    | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|----------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Other Non-Current Liabilities (Diff. amount Received From RBI) | 26,624.79                                    | 11,336.16                                    |
| <b>Total Non-Current Liabilities</b>                           | <b>26,624.79</b>                             | <b>11,336.16</b>                             |

## Note 17

### Other Current Liabilities

(Amount in ₹ lakhs)

| Particulars                                           | Figures as at<br>31 <sup>st</sup> March 2020 | Figures as at<br>31 <sup>st</sup> March 2019 |
|-------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Employee's Claim                                      | 4.07                                         | 8.29                                         |
| Advances from Customer                                | 35,254.97                                    | 30,395.10                                    |
| Current Portion Long-term Borrowings                  | -                                            | -                                            |
| Security Deposit of Supplier/Vendors                  | 119.75                                       | 28.27                                        |
| Payable to PAO                                        | 22.68                                        | 22.61                                        |
| Statutory Dues Payable                                | 4,722.04                                     | 7,944.98                                     |
| Octroi Payable                                        | -                                            | -                                            |
| Salaries and Wages and Other Employee Benefit Payable | 26.86                                        | 5.03                                         |
| Recovery from Salary Payable to Concerned Authorities | 90.82                                        | 31.82                                        |
| Expenses Payable                                      | 146.92                                       | 989.97                                       |
| Contribution to SPMCIL Pension Trust Payable          | 12.08                                        | 57.96                                        |
| Pensionary Charges Payable                            | 137.42                                       | 108.81                                       |
| Bank Book Overdraft                                   | 488.97                                       | 235.47                                       |
| Other Current Liabilities                             | 1,130.96                                     | 299.84                                       |
| Capital Goods Creditors                               | -                                            | -                                            |
| Claim Difference                                      | 4.44                                         | 4.51                                         |
| Gratuity Withheld                                     | 0.22                                         | 0.22                                         |
| <b>Total Other Current Liabilities</b>                | <b>42,162.19</b>                             | <b>40,132.87</b>                             |



## Note 18

### Revenues

(Amount in ₹ lakhs)

| Particulars                                             | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|---------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| <b>(A) Sale of Products</b>                             |                                                   |                                                   |
| - Sale of Notes                                         | 2,05,995.85                                       | 2,41,918.95                                       |
| - Sale of Coins                                         | 1,43,514.54                                       | 1,84,617.59                                       |
| - Sale of Medals and Commemorative Coins                | 4,593.18                                          | 5,505.37                                          |
| - Sale of Ink                                           | 2,389.22                                          | 6,967.13                                          |
| - Sale of Passport & Allied                             | 49,649.14                                         | 47,224.13                                         |
| - Sale of Postal Items                                  | 3,078.71                                          | 2,093.88                                          |
| - Sale of Non Postal Items                              | 6,516.67                                          | 4,486.04                                          |
| - Sale of NJSP                                          | 50,565.12                                         | 51,000.48                                         |
| - Sale -Others                                          | 15,927.85                                         | 17,049.11                                         |
| <b>Total (A)</b>                                        | <b>4,82,230.28</b>                                | <b>5,60,862.68</b>                                |
| <b>(B) Sale of Services</b>                             |                                                   |                                                   |
| - Job Work                                              | 554.89                                            | 883.50                                            |
| - Other Service                                         | 24.21                                             | 11.61                                             |
| <b>Total (B)</b>                                        | <b>579.09</b>                                     | <b>895.10</b>                                     |
| <b>(C) Other Operating Revenue</b>                      |                                                   |                                                   |
| - Sale of scrap                                         | 15,579.73                                         | 9,203.64                                          |
| - Other Operating Activities                            | 426.57                                            | 172.13                                            |
| - Rate Difference Circulating Coins                     | (2,189.01)                                        | -                                                 |
| - Rate Difference                                       | (19.76)                                           | -                                                 |
| <b>Total (C)</b>                                        | <b>13,797.53</b>                                  | <b>9,375.78</b>                                   |
| <b>Total Revenue from Continuing Operations (A+B+C)</b> | <b>4,96,606.90</b>                                | <b>5,71,133.56</b>                                |

## Note 19

### Other Income

(Amount in ₹ lakhs)

| Particulars                                                                   | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|-------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| <b>(a) Interest Income</b>                                                    |                                                   |                                                   |
| - Interest Income                                                             | 11,175.61                                         | 6,644.33                                          |
| <b>TOTAL (A)</b>                                                              | <b>11,175.61</b>                                  | <b>6,644.33</b>                                   |
| <b>(b) Dividend Income</b>                                                    |                                                   |                                                   |
| - Dividend Income                                                             | 4,000.00                                          | 23.18                                             |
| <b>TOTAL (B)</b>                                                              | <b>4,000.00</b>                                   | <b>23.18</b>                                      |
| <b>(c) Other Income (Net of Expense directly attributable to such Income)</b> |                                                   |                                                   |
| - Foreign Exchange Fluctuation Gains/ (Loss)                                  | (28.80)                                           | 367.93                                            |
| - Profit on Sale of Fixed Assets                                              | 0.59                                              | 16.51                                             |
| - Other Income                                                                | 1,254.94                                          | 2,357.01                                          |
| - Provisions/Liabilities Written Back                                         | 4,627.89                                          | 1,983.80                                          |
| - Rate Difference Postal Items                                                | -                                                 | -                                                 |
| <b>TOTAL (C)</b>                                                              | <b>5,854.61</b>                                   | <b>4,721.29</b>                                   |
| <b>Total Other Income (A+B+C)</b>                                             | <b>21,030.21</b>                                  | <b>11,388.81</b>                                  |



## Note 20

### Cost of Materials Consumed

(Amount in ₹ lakhs)

| Particulars                             | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|-----------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Cost of Material Consumed               | 2,37,230.79                                       | 2,29,468.03                                       |
| <b>Total cost of materials consumed</b> | <b>2,37,230.79</b>                                | <b>2,29,468.03</b>                                |

## Note 21

### Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress

(Amount in ₹ lakhs)

| Particulars                                                                                      | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|--------------------------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| <b>Opening Balance</b>                                                                           |                                                   |                                                   |
| Work in Progress                                                                                 | 37,020.88                                         | 56,976.57                                         |
| Finished Goods                                                                                   | 22,136.06                                         | 44,108.57                                         |
| Goods in Transit                                                                                 | 4,580.20                                          | 2,278.86                                          |
| Scrap                                                                                            | 3,503.15                                          | 5,573.83                                          |
| <b>Total Opening Balance (A)</b>                                                                 | <b>67,240.29</b>                                  | <b>1,08,937.84</b>                                |
| <b>Closing Balance</b>                                                                           |                                                   |                                                   |
| Work in Progress                                                                                 | 61,144.91                                         | 37,020.88                                         |
| Finished Goods                                                                                   | 48,389.69                                         | 22,136.06                                         |
| Goods in Transit                                                                                 | -                                                 | 4,580.20                                          |
| Scrap                                                                                            | 2,269.34                                          | 3,503.15                                          |
| <b>Total Closing Balance (B)</b>                                                                 | <b>1,11,803.93</b>                                | <b>67,240.29</b>                                  |
| <b>Total changes in Inventories of Finished Goods, Stock in Trade and Work in Progress (A-B)</b> | <b>(44,563.65)</b>                                | <b>41,697.55</b>                                  |

## Note 22

### Employee Benefit Expense

(Amount in ₹ lakhs)

| Particulars                                    | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Salaries, Wages and Allowances                 | 68,499.34                                         | 68,549.44                                         |
| Overtime                                       | 14,419.93                                         | 18,483.26                                         |
| Incentive                                      | 12,852.81                                         | 14,476.16                                         |
| LTC                                            | 226.04                                            | 360.93                                            |
| Medical                                        | 2,737.82                                          | 2,598.58                                          |
| Employer Contribution to EPF                   | 3,987.72                                          | 3,889.52                                          |
| Leave Salary & Pensionary Charges Contribution | 2,681.14                                          | 795.83                                            |
| Cotribution to SPMCIL Pension Trust            | 1,668.40                                          | 1,816.29                                          |
| Leave Encashment                               | 7,861.60                                          | 7,239.61                                          |
| Gratuity                                       | 7,807.27                                          | 3,450.88                                          |
| Staff Welfare Expenses                         | 56.90                                             | 273.22                                            |
| Other Employee Benefits                        | 1,900.34                                          | 2,254.82                                          |
| Post Retirement Medical Benefits               | 3,848.15                                          | 2,996.82                                          |
| Pension Trust Liability                        | -                                                 | -                                                 |
| <b>Total Employee Benefit Expenses</b>         | <b>1,28,547.46</b>                                | <b>1,27,761.01</b>                                |





## Note 23

### Finance Cost

(Amount in ₹ lakhs)

| Particulars                     | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|---------------------------------|---------------------------------------------------|---------------------------------------------------|
| Interest Cost                   | 3,099.93                                          | 1,860.64                                          |
| Interest Cost on Loan from Bank | 0.58                                              | -                                                 |
| <b>Total</b>                    | <b>3,100.51</b>                                   | <b>1,860.64</b>                                   |

## Note 3 & 4

### Depreciation and Amortization Expense

(Amount in ₹ lakhs)

| Particulars                                   | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|-----------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Depreciation on Property, Plant and Equipment | 13,256.43                                         | 12,739.30                                         |
| Amortisation of Intangible Assets             | 25.81                                             | 102.44                                            |
| <b>Total</b>                                  | <b>13,282.25</b>                                  | <b>12,841.74</b>                                  |

## Note 24

### Other Expenses

| Particulars                                   | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|-----------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| <b>(A) Other Manufacturing Expenses</b>       |                                                   |                                                   |
| - Consumption of Stores, Spare and Components | 10,124.87                                         | 9,436.73                                          |
| - Power, Fuel and Water                       | 7,971.01                                          | 7,778.39                                          |
| - Repairs & Maintenance to Machinery          | (247.72)                                          | 959.50                                            |
| - Repairs & Maintenance to Factory Building   | 551.96                                            | 999.00                                            |
| - Packing Expenses                            | 1,487.84                                          | 1,551.27                                          |
| - Other Manufacturing Costs                   | 748.03                                            | 1,443.94                                          |
| <b>Total (A)</b>                              | <b>20,635.99</b>                                  | <b>22,168.82</b>                                  |
| <b>(B) Administrative Expenses</b>            |                                                   |                                                   |
| - Advertisement                               | 239.05                                            | 185.89                                            |
| - Commission (Auction & Other)                | 436.68                                            | 249.90                                            |
| - Audit fees                                  | 50.74                                             | 67.56                                             |
| - Bank charges                                | 6.61                                              | 4.02                                              |
| - Bad debts written off                       | -                                                 | 2.20                                              |
| - Conveyance Expenses                         | 0.47                                              | 0.52                                              |
| - Canteen Expenses(Net of Receipts)           | 239.18                                            | 223.57                                            |
| - Dispensary Expenses                         | 107.80                                            | 84.54                                             |
| - Environmental Charges                       | 67.85                                             | 45.48                                             |
| - Fees & Honorarium                           | 29.81                                             | 41.94                                             |
| - Freight Outward                             | 975.43                                            | 1,488.57                                          |
| - Foreign Exchange Fluctuation Loss           | (87.11)                                           | 92.17                                             |
| - Grants in Aid Expenses                      | 1.97                                              | 2.45                                              |
| - Loss on Sale/Discard of Assets              | 24.97                                             | (0.01)                                            |
| - L&B Expenses                                | 11.72                                             | 16.60                                             |
| - Guest House Expenses (Net of Receipts)      | 59.11                                             | 45.74                                             |



| Particulars                                            | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|--------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| - Hiring of Staff                                      | 2,630.58                                          | 2,469.06                                          |
| - Horticulture Expenses                                | 65.88                                             | 64.68                                             |
| - Hospitality & Entertainment Expenses                 | 54.08                                             | 16.64                                             |
| - Legal & Professional Charges                         | 916.23                                            | 732.09                                            |
| - Meeting Expenses                                     | 40.99                                             | 79.93                                             |
| - Misc Expenses                                        | 215.59                                            | 171.23                                            |
| - Office Expenses                                      | 354.01                                            | 199.56                                            |
| - Postage & Courier Expenses                           | 43.85                                             | 36.00                                             |
| - Printing & Stationery Expenses                       | 77.49                                             | 99.28                                             |
| - Research & Development Expenses                      | 198.13                                            | 83.82                                             |
| - Repair & Maintenance - Building                      | 926.78                                            | 593.81                                            |
| - Repair & Maintenance - Computers                     | 231.75                                            | 384.07                                            |
| - Repair & Maintenance - Others                        | 871.09                                            | 675.37                                            |
| - Rent                                                 | 765.90                                            | 823.07                                            |
| - Insurance                                            | 673.70                                            | 600.07                                            |
| - Rates & Taxes                                        | 361.74                                            | 4,802.04                                          |
| - Security Charges                                     | 16,828.23                                         | 15,699.86                                         |
| - Seminar & Training Expenses                          | 166.54                                            | 91.46                                             |
| - Service Tax / Sales Tax paid                         | 579.86                                            | 3,213.36                                          |
| - Subscription, Newspaper, Books & Periodicals         | 15.81                                             | 15.58                                             |
| - Sustainable Development                              | -                                                 | 0.05                                              |
| - Telephone & Internet Charges                         | 140.55                                            | 196.08                                            |
| - Travelling & Conveyance Expenses                     | 751.03                                            | 704.40                                            |
| - Travelling Expenses- Foreign                         | 210.69                                            | 101.59                                            |
| - Uniform & Liveries                                   | 6.36                                              | 14.19                                             |
| - Corporate Social Responsibility Expenses (CSR)       | 907.21                                            | 389.91                                            |
| - Vehicle Hiring/Maintenance Charges                   | 245.89                                            | 296.22                                            |
| - Water & Electricity Charges                          | 456.46                                            | 465.01                                            |
| - Other Expenditure                                    | 750.27                                            | 859.24                                            |
| - Excise Duty Paid / Custom duty                       | 37.82                                             | 37.88                                             |
| - Interest and Penalty                                 | 5.31                                              | 9.51                                              |
| - Expense for Disputed Claims                          | 1,163.47                                          | 5,846.47                                          |
| <b>TOTAL (B)</b>                                       | <b>32,857.54</b>                                  | <b>42,322.67</b>                                  |
| <b>(C) Provisions Created During the Year</b>          |                                                   |                                                   |
| - Provision for Trade Receivables                      | 1,655.90                                          | 575.38                                            |
| - Provision for Obsolete/Non-Moving Inventory/Shortage | -                                                 | 111.44                                            |
| - Provision for Rate Differences of Bank Notes         | -                                                 | -                                                 |
| - Provision for Pension Trust Liability                | 22,178.68                                         | 22,831.26                                         |
| - Provision for Disputed Claims                        | 32.62                                             | -                                                 |
| <b>Total (C)</b>                                       | <b>23,867.20</b>                                  | <b>23,518.08</b>                                  |
| <b>Total Other Expenses (A+B+C)</b>                    | <b>77,360.73</b>                                  | <b>88,009.57</b>                                  |



## Note 24(a)

### Auditors' Remuneration

(Amount in ₹ lakhs)

| Particulars                         | For the year ended<br>31 <sup>st</sup> March 2020 | For the year ended<br>31 <sup>st</sup> March 2019 |
|-------------------------------------|---------------------------------------------------|---------------------------------------------------|
| <b>(A) Statutory Auditors</b>       |                                                   |                                                   |
| (i) Statutory Audit Fee             | 3.50                                              | 3.50                                              |
| (ii) Tax Audit Fee                  | 2.19                                              | 2.63                                              |
| <b>Sub-Total (A)</b>                | <b>5.69</b>                                       | <b>6.13</b>                                       |
| <b>(B) Branch Auditors</b>          |                                                   |                                                   |
| (i) Statutory Audit Fee             | 20.25                                             | 20.25                                             |
| (ii) Tax Audit Fee                  | 12.66                                             | 24.35                                             |
| <b>Total</b>                        | <b>32.91</b>                                      | <b>44.60</b>                                      |
| (iii) Other Services                | 8.90                                              |                                                   |
| <b>Sub-Total (B)</b>                | <b>41.81</b>                                      | <b>44.60</b>                                      |
| <b>Auditors' Remuneration (A+B)</b> | <b>47.50</b>                                      | <b>50.73</b>                                      |

## Note 25

### Provisions, Contingent Liabilities & Contingent Assets – Ind AS-37

Contingent Liabilities as per Ind AS-37 are as follows:

(Amount in ₹ lakhs)

| Contingent Liabilities and Commitments<br>(to the extent not provided for)                                      | As at 31 <sup>st</sup> March<br>2020 | As at 31 <sup>st</sup> March<br>2019 |
|-----------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>(I) Contingent Liabilities</b>                                                                               |                                      |                                      |
| (i) Claims against the company not acknowledged as debt (excluding the cases where amounts are unascertainable) | 43,666.17                            | 41,226.03                            |
| (iii) Bank Guarantees & Letters of Credit issued by Banks                                                       | 3,955.67                             | 2,925.54                             |
| <b>Total (I)</b>                                                                                                | <b>47,621.84</b>                     | <b>44,151.57</b>                     |
| <b>(II) Commitments</b>                                                                                         |                                      |                                      |
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for              | 8,958.82                             | 116.75                               |
| <b>Total (II)</b>                                                                                               | <b>8,958.82</b>                      | <b>116.75</b>                        |
| <b>Grand Total (₹) (I+II)</b>                                                                                   | <b>56,580.66</b>                     | <b>44,268.32</b>                     |

- (a) The Cases filed by employees/workers/suppliers are being contested and accordingly, no provision is considered necessary. The Cases regarding taxes are also being contested before various appellate forums and accordingly, no provision is considered necessary.
- (b) The unit has filed a writ petition with Hon'ble High Court at Calcutta challenging the levy of entry tax as per West Bengal Entry Tax Act, 2012. The Hon'ble single bench adjourned the case sine die. On the same levy of entry tax in another case, the single bench of the Hon'ble High Court at Calcutta vide judgement and order dated June 24, 2013 has declared that the West Bengal Entry Tax Act, 2012 is ultra vires. The unit has sought a legal opinion and as per the opinion received by the unit dated May 17, 2013, May 30, 2017 and May 29, 2018, the Unit has not paid/provided for entry tax from June 01, 2013. The Unit has filed an application for tagging entry tax case with main writ petition which is pending at "Divisional Bench".





## Note 26

Section 115BAA was introduced by the Government of India through the Taxation Laws (Amendment) Act, 2019 on the 20<sup>th</sup> of September 2019 to give benefit of a reduced corporate tax rate for the domestic companies. It states that domestic companies have the option to pay tax at a rate of 25.168% instead of the present 34.944%, on compliance of certain conditions as specified therein. The company has opted for the benefit of section 115BAA of the Income Tax Act 1961, effective from FY 2019-20. Accordingly, the taxable income has been calculated in accordance with the conditions specified in the section and tax provisions have been made as per the reduced rate of 25.168%.

## Note 27

The CBDT Circular No. F.No.91/58/66-ITJ(19), dated 18.05.1967, permits deduction for the sums paid on account of any cess, levied on the profits of any business, since the Select Committee decided to omit the word 'cess' as introduced in the Parliament in clause 40 (a) (ii) of the Income Tax Act 1961. The Company has therefore, considered the education cess and allied cess as allowable business expenditure from its taxable income for the financial year 2019-20 and liability for income tax has been determined in line with above circular.

## Note 28

### Disclosure pertaining to Micro, Small and Medium Enterprises

The Management identifies the enterprises which have provided goods and services to the company and which qualify under the definition of Micro, Small and Medium Enterprises (MSME) as defined under Micro, Small and Medium Enterprises development Act, 2006. Accordingly, the disclosure in respect of amount payable to such enterprises as at 31<sup>st</sup> March 2020 has been made in the financial statements (as disclosed in Note No. 13(ii) Trade Payables) on the basis of information received and available with the company.

Amount in ₹ lakhs

| S. No. | Particulars                                                                                                                                                                                                    | As at 31 <sup>st</sup> March 2020 | As at 31 <sup>st</sup> March 2019 |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| 1      | The principal amount remaining unpaid to suppliers as at the end of the Year                                                                                                                                   | 360.09                            | 373.24                            |
| 2.     | The amount of interest accrued during the year and remaining unpaid at the end of the Year                                                                                                                     | Nil                               | Nil                               |
| 3.     | The amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during the Year                                                         | Nil                               | Nil                               |
| 4.     | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act. | Nil                               | Nil                               |

## Note 29

### Fixed Assets

- As per the decision of Government of India, all the Assets and Liabilities of nine units as on 10.02.2006 have been transferred to the Company at book value. Accordingly, all assets and liabilities prevailing as on 09.02.2006 were taken over on 10.02.2006 in the books of the Company on historic cost basis as per books of account of the Units of Government of India.
- Pursuant to the enactment of Companies Act, 2013, the company has applied the estimated useful lives as specified in Schedule-II, except



in respect of certain assets as disclosed in Accounting Policy on Depreciation & Amortization. Accordingly, the unamortized carrying value is being depreciated / amortized over the remaining useful lives.

## Note 30

### Precious Metals at Mints

Mints at Mumbai, Kolkata and Hyderabad have stocks of gold, silver and other precious metals which are more than 10 years old required for manufacturing of medals in very moderate quantity. There is a sound system of maintaining records and ensuring physical safety of the metals. Detailed break-up of each category of metal with fineness details are available in the units. Value of these metals has been taken as per book value which is lower than the net realizable value of the same. As there is a very moderate consumption of these materials in current production, company has initiated steps to dispose off these metals lying at units.

## Note 31

### Withdrawn Coins

Withdrawn coins/un current coins are held by Mints on behalf of Ministry of Finance. These coins are melted by SAIL and coin blanks of equivalent weight are given to the mints by SAIL. Mints make payment of these coin blanks to SAIL after deducting value of withdrawn coins. The amount of sale of coins made from these coin blanks is remitted to Government of India after deducting and adjusting all the expenditure involved in melting and service charges of SPMCIL.

## Note 32

### Employee Benefits - Ind AS -19

Most of the Employees of the company were on deemed deputation from Government of India. On 15.09.2008, a tripartite agreement was signed between the Government of India, Company and the representatives of the various unions. Option was given to employees who were on deemed deputation to opt for the Company or Government of India as per Rule 37-A of Central Civil Services

(Pension) Rules, 1972. Permanent absorption has been notified by Govt. vide order No. 10/1/2009-SPMC dated 29.05.2009 w.e.f. 01.11.2008. Option to join the Company was exercised by 14,256 employees.

### Defined Contribution Plans

- a) **Employee Provident Fund (EPF) :** For EPF, a trust has been established and exemption has been granted by Employees Provident Fund Organization (EPFO) since December, 2009. The trust became operational w.e.f. April, 2010 and all cases pertaining to employees provident fund matter are being looked after by Trust. The Company pays fixed contribution to provident fund at predetermined rates to the trust, which invests the funds in permitted securities as per investment pattern stipulated by Ministry of Labour. Contribution to family pension scheme is paid to the Employee Provident Fund Organization (EPFO). The contribution is recognized as expense and is charged to Profit and Loss account.
- b) **General Provident Fund (GPF) :** For GPF, a trust has been established in the month of March, 2011. From 1<sup>st</sup> April 2011 onwards, employee's contribution is being made to the Trust. There is only employee contribution in this fund and therefore, no amount is recognized as expenses in Profit and Loss account.

### Defined Benefits Plans

- a) **Pension :** Pension will be paid to Combined Pension Optees from the Company Employees Pension Fund Trust constituted by Government of India. Provisions for pension contribution to the trust in respect of the Combined 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 × last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹20 Lakh on superannuation, resignation, termination, disablement or on death during the entire tenure of service. The Liability for the same is recognized on the basis of actuarial valuation.

**d) Earned and Half Pay Leave:** The Company provides for earned leave benefit and half pay leave to the employees of the Company which accrues at 15 days and 10 days respectively at the end of half year. Earned leaves are encashable up to a maximum of 300 days on separation. Half pay leave is encashable only on separation but subject to maximum of 300 days for both earned leave and half pay leave.

The Company has also permitted to en-cash earned leave to the extent of 50% of balance at credit once in a calendar year subject to the balance at credit should not be less than 30 days after encashment and subject to maximum accumulation of 300 days. The Liability for the same is recognized on the basis of actuarial valuation.

**e) Post-Retirement Medical Benefits:** The Company has Post-Retirement Medical Scheme under which eligible ex-employees are provided medical facilities on the sole discretion of the employee upon payment of one time prescribed contribution. The liability for the same is recognized on the basis of actuarial valuation.

**f) As per Ind AS 19 “Employee Benefits”, the disclosure as defined is given below:**

(Amount in ₹ lakhs)

| Sl. No.                    | Particulars                                                                  | Gratuity   |            | Leave      |            | Post Retirement Medical Benefits |          |
|----------------------------|------------------------------------------------------------------------------|------------|------------|------------|------------|----------------------------------|----------|
|                            |                                                                              | 31.03.20   | 31.03.19   | 31.03.20   | 31.03.19   | 31.03.20                         | 31.03.19 |
| Defined Contribution Plans |                                                                              |            |            |            |            |                                  |          |
| Defined Benefit Plans      |                                                                              |            |            |            |            |                                  |          |
| A                          | Reconciliation of Opening and Closing Balances of Defined Benefit Obligation |            |            |            |            |                                  |          |
|                            | Defined Benefit Obligation at beginning of the year                          | 18,133.54  | 16,656.49  | 29,408.50  | 27,347.18  | 8,481.02                         | 6,120.52 |
|                            | Current Service Cost                                                         | 2,077.37   | 1,874.20   | 1,545.32   | 1,387.48   | 1,401.23                         | 1,351.15 |
|                            | Interest Cost                                                                | 1,331.00   | 1,232.58   | 2,158.58   | 2,023.69   | 622.51                           | 452.92   |
|                            | Actuarial (Gain)/Loss                                                        | 2,087.19   | (201.70)   | 3,788.34   | 3,350.70   | 1,543.22                         | 1,191.45 |
|                            | Benefits Paid                                                                | (2,158.63) | (1,428.03) | (5,531.93) | (4,700.55) | (768.87)                         | (635.02) |
|                            | Defined Benefit Obligation at the year end                                   | 21,470.47  | 18,133.54  | 31,368.81  | 29,408.50  | 11,279.11                        | 8,481.02 |
| B                          | Reconciliation of opening and closing balances of fair value of Plan Assets  |            |            |            |            |                                  |          |
|                            | Fair value of plan assets at the beginning of the period                     | –          | –          | –          | –          | –                                | –        |
|                            | Actual return on plan assets                                                 | –          | –          | –          | –          | –                                | –        |
|                            | Employer contribution                                                        | –          | –          | –          | –          | –                                | –        |
|                            | Benefits paid                                                                | –          | –          | –          | –          | –                                | –        |
|                            | Fair value of plan assets at the end of the period                           | –          | –          | –          | –          | –                                | –        |





| S. No.                                    | Particulars                                          | Gratuity   |          | Leave      |          | Post Retirement Medical Benefits |          |
|-------------------------------------------|------------------------------------------------------|------------|----------|------------|----------|----------------------------------|----------|
|                                           |                                                      | 31.03.20   | 31.03.19 | 31.03.20   | 31.03.19 | 31.03.20                         | 31.03.19 |
| C                                         | Actuarial assumptions                                |            |          |            |          |                                  |          |
|                                           | Discount Rate (per annum)                            | 6.14       | 7.34     | 6.14       | 7.34     | 6.14                             | 7.34     |
|                                           | Expected rate of return on Plan Assets (per annum)   | -          | -        | -          | -        | -                                | -        |
|                                           | Future Salary/cost Increase (per annum)              | 7.50       | 7.50     | 7.50       | 7.50     | 5.00                             | 5.00     |
| D                                         | Sensitivity Analysis                                 | 31.03.2020 |          | 31.03.2020 |          | 31.03.2020                       |          |
| (a) Impact of the change in discount rate |                                                      |            |          |            |          |                                  |          |
|                                           | Present Value of Obligation at the end of the period | 21,470.47  |          | 31,368.81  |          | 11,279.11                        |          |
|                                           | Impact due to increase of 0.50%                      | (713.41)   |          | (990.32)   |          | (273.76)                         |          |
|                                           | Impact due to decrease of 0.50%                      | 771.76     |          | 1,063.76   |          | 285.66                           |          |
| (b) Impact of the change in salary        |                                                      |            |          |            |          |                                  |          |
|                                           | Present Value of Obligation at the end of the period | 21,470.47  |          | 31,368.81  |          | -                                |          |
|                                           | Impact due to increase of 0.50%                      | 701.04     |          | 1,044.78   |          | -                                |          |
|                                           | Impact due to decrease of 0.50%                      | (679.58)   |          | (982.63)   |          | -                                |          |

### In case of Bank Note Paper Mill India Pvt. Ltd. (Joint Venture):

#### Retirement and other Employee Benefits

In accordance with IND AS 19 Company has obtained Actuarial Valuation in respect of Earned Leave, Gratuity, Post retirement Medical Benefits & Compassionate package based on the following assumptions:

(₹ in lakhs)

| Particulars              | 2019-20<br>(Unaudited)      | 2018-19<br>(Audited) |
|--------------------------|-----------------------------|----------------------|
| Valuation basis          | Projected Unit Credit (PUC) |                      |
| Discount Rate*           | 6.82%                       | 7.79%                |
| Annual Increase in Costs | 7.00%                       | 7.00%                |
| Attrition Rate           | 3.00%                       | 3.00%                |

\*This is based on the market yields available on Government bonds at the balance sheet date.



**(A) The gratuity and the leave salary plans are unfunded. Accordingly as per the provisions of Accounting standard the related unfunding risk has been factored in the valuation.**

**Amount recognised in the Financial Statements as on 31.03.2020**

(Amount in ₹ lakhs)

| Particulars                                         | 2019-20 (Unaudited) |               |                                             | 2018-19       |               |
|-----------------------------------------------------|---------------------|---------------|---------------------------------------------|---------------|---------------|
|                                                     | Leave Benefit       | Gratuity      | Post Retirement Medical Benefit & Ex-gratia | Leave Benefit | Gratuity      |
| a. Opening Value of Benefits                        | 630.54              | 344.87        | -                                           | 369.57        | 217.74        |
| b. Current Service Cost                             | 164.53              | 102.84        | 33.13                                       | 103.12        | 79.13         |
| c. Interest Cost                                    | 41.30               | 22.95         | -                                           | 26.80         | 16.16         |
| d. Recognition of Losses - Other Long Term Benefits |                     | -             | -                                           | -             | -             |
| e. Actuarial (Gains) / Loss                         | 123.12              | 109.99        | -                                           | 58.34         | 52.37         |
| f. Benefits Pay-out                                 | (49.89)             | (16.67)       | -                                           | (50.93)       | (20.53)       |
| <b>Present Value of the Benefits (a+b+c+d+e+f)</b>  | <b>909.60</b>       | <b>563.98</b> | <b>33.13</b>                                | <b>506.90</b> | <b>344.87</b> |
| <b>Provided as Current Liabilities</b>              | <b>132.41</b>       | <b>37.13</b>  | <b>16.52</b>                                | <b>129.18</b> | <b>21.72</b>  |
| <b>Provided as Non-Current Liabilities</b>          | <b>777.21</b>       | <b>526.85</b> | <b>16.61</b>                                | <b>501.37</b> | <b>323.15</b> |

**Note:**

- The company operates under cost plus basis and hence, the discount rate variation, mortality rate variations etc., are passed on in the selling price. Therefore, sensitivity analysis for these risks is not considered necessary.
- This includes liability for defined benefit cost in respect of Managing Director.
- Leave Benefit includes the valuation for accumulated sick leave.

**Note 33**

**Operating Segments – Ind AS -108**

In the opinion of management, the company has no operating/reportable segment as envisaged in IND AS-108 as the risks and returns associated with product categories are not different. About 90% of the sale of products during the year has been supplied to various Ministries of Government of India on cost plus reasonable return on capital employed basis. Further the Company is engaged in sovereign function of manufacturing of security products.

| Name of Party                             | Relationship             |
|-------------------------------------------|--------------------------|
| A. Bank Note Paper Mill India Private Ltd | Joint Venture (JV)       |
| B. Post Retirement Benefit Trusts :       |                          |
| i) SPMCIL EPF Trust                       | Retirement benefit trust |
| ii) SPMCIL Pension Trust                  | Retirement benefit trust |
| iii) SPMCIL PF Trust                      | Retirement benefit trust |
| iv) President of India                    | Shareholder              |

**(a) Transactions with JV:**

The company has entered into a Joint Venture Agreement with Bhartiya Reserve Bank Note Mudran Private Limited (BRBNMPL), a wholly owned subsidiary of Reserve Bank of India to set up a security paper mill at Mysore with 50% participation

**Note 34**

**Related Party Disclosures - Ind AS - 24**

List and Transactions of related parties as per Ind AS - 24 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India:



in equity by each Joint Venture partners by forming a company under the Companies Act, 1956 on 13.10.2010. The company has contributed a sum of ₹40,000 Lakh towards 50% capital contribution. Company has been allotted 40,00,00,000 equity shares of ₹10 each aggregating to ₹40,000 lakh till 31.03.2020.

**i. Proportion of ownership in Joint Venture as per unaudited accounts for the Financial Year 2019-20 is as under (50%):**

(Amount in ₹ lakhs)

| Particulars                    | As on<br>31.03.2020<br>(Unaudited) | As on<br>31.03.2019<br>(Audited) |
|--------------------------------|------------------------------------|----------------------------------|
| a) Contribution towards Equity | 40,000                             | 40,000                           |
| b) Deputation of Employee Cost | -                                  | -                                |

**Aggregate amount of Company's interest in Joint Venture (50%) as per unaudited Financials for the F.Y. 2019-20 is as under:**

(Amount in ₹ lakhs)

| Particulars                         | As on<br>31.03.2020<br>(Unaudited) | As on<br>31.03.2019<br>(Audited) |
|-------------------------------------|------------------------------------|----------------------------------|
| Equity Share Capital                | 40,000.00                          | 40,000.00                        |
| Reserve and Surplus                 | 44,324.87                          | 35,964.84                        |
| Non-Current Liabilities             | 18,240.89                          | 17,027.25                        |
| Current Liabilities                 | 3,444.97                           | 6,032.58                         |
| Non-Current Assets                  | 55,687.42                          | 60,411.68                        |
| Current Assets                      | 50,323.30                          | 38,612.99                        |
| Revenue                             | 65,094.11                          | 59,213.20                        |
| Cost of Material Consumed           | 32,260.91                          | 29,679.80                        |
| Depreciation of Plant and Machinery | 5,870.44                           | 5,997.76                         |
| Employee Benefit Expenses           | 2,740.62                           | 2,442.15                         |
| Finance cost                        | 1,010.10                           | 1,428.29                         |
| Other Expenses                      | 5,774.91                           | 5,375.27                         |
| <b>Profit Before Tax</b>            | <b>17,437.07</b>                   | <b>14,309.92</b>                 |
| Income Tax Expenses                 | 4,199.83                           | 5,036.97                         |
| Other Comprehensive Income (OCI)    | (55.00)                            | (26.18)                          |
| <b>Total Comprehensive Income</b>   | <b>13,182.25</b>                   | <b>9,246.76</b>                  |

**ii. Claims against the company not acknowledged as debt (50% Liability):**

(Amount in ₹ lakhs)

| Particulars                                                                                   | As on<br>31.03.2020<br>(Unaudited) | As on<br>31.03.2019<br>(Audited) |
|-----------------------------------------------------------------------------------------------|------------------------------------|----------------------------------|
| Pending outcome of Appeal before ITAT & High Court tax demand is not recognized as liability. | 174.94                             | -                                |

**iii. Unexpired commitments to the extent not provided (net of advances) (50% Liability):**

(Amount in ₹ lakhs)

| Particulars                                                                         | As on<br>31.03.2020<br>(Unaudited) | As on<br>31.03.2019<br>(Audited) |
|-------------------------------------------------------------------------------------|------------------------------------|----------------------------------|
| Unexpired commitments to the extent not provided for on capital and revenue account | 5,775.47                           | 1,051.44                         |

**iv. Transactions carried out with Bank Note Paper Mill India Private Ltd. (from BNPM financials):**

(Amount in ₹ lakhs)

| Particulars            | As on<br>31.03.2020<br>(Unaudited) | As on<br>31.03.2019<br>(Audited) |
|------------------------|------------------------------------|----------------------------------|
| Purchase of CWBN Paper | 23,440.63                          | 12,367.33                        |
| Sale of Security Fiber | -                                  | 121.51                           |
| Trade payables         | 2,599.38                           | 3,633.52                         |

**(b) Key Managerial Personnel:**

- Ms. Tripti P. Ghosh, Chairman and Managing Director (CMD) (From 01.05.2018)
- Shri Ajai Kumar Srivastav, Director (Technical) (From 29.08.2016)
- Shri Sunil Kumar Sinha, Director (HR) (From 01.09.2016)
- Shri Ajay Agarwal, Director (Finance) & Chief Financial Officer (CFO) (From 23.11.2017)
- Shri Sachin Agarwal, Company Secretary (CS) (From 23.09.2009)

There are no transactions with Key Managerial





Personnel during the year, except as given below.

The gross remuneration to the full time-Directors of the Company and other Key Managerial Personnel is as under: (Amount in ₹ lakhs)

| Name                     | Designation              | 2019-20       | 2018-19       |
|--------------------------|--------------------------|---------------|---------------|
| Ms. Tripti P. Ghosh      | CMD                      | 27.85         | 41.02         |
| Mr. Ajai Kumar Srivastav | Director (Technical)     | 54.81         | 63.64         |
| Mr. S.K. Sinha           | Director (HR)            | 68.72         | 61.88         |
| Mr. Ajay Agarwal         | Director (Finance) & CFO | 44.88         | 40.84         |
| Mr. Sachin Agarwal       | Company Secretary        | 16.46         | 17.22         |
| <b>TOTAL</b>             |                          | <b>212.72</b> | <b>224.60</b> |

**(c) Transactions with Retirement Benefit Trusts**

(Amount in ₹ lakhs)

| Particulars                                               | 2019-20          | 2018-19          |
|-----------------------------------------------------------|------------------|------------------|
| <b>Transactions with SPMCIL EPF trust</b>                 |                  |                  |
| a. Monthly Contribution for FY 2019-20                    | 271.33           | 241.48           |
| b. Payment made to M/s Darashaw Investment Advisor        | 16.70            | 11.15            |
| c. Audit Fee                                              | 0.24             | 0.24             |
| d. Payment of AMC for EPF Software                        | 1.39             | 2.59             |
| e. Misc. Expenses                                         | 0.72             | 2.51             |
| <b>Total (a to e) (A)</b>                                 | <b>290.38</b>    | <b>257.97</b>    |
| <b>Transactions with SPMCIL Pension trust</b>             |                  |                  |
| f. Monthly Contribution for FY 2019-20                    | 4.02             | 1.87             |
| g. Provision of Pension Payment for FY 2019-20            | 22,178.68        | 22,831.00        |
| h. Amount Paid During FY 2019-20                          | 21,252.26        | 10,066.00        |
| i. Unsecured Interest Free Loan given                     | 0.00             | 800.00           |
| <b>Total (f to i) (B)</b>                                 | <b>43,434.96</b> | <b>33,698.87</b> |
| <b>Total (A+B)</b>                                        | <b>43,725.34</b> | <b>33,956.84</b> |
| <b>Transactions with SPMCIL PF Trust</b>                  |                  |                  |
| j. Monthly contribution for FY 2019-20                    | 4.77             | 1.96             |
| <b>Total (j)</b>                                          | <b>4.77</b>      | <b>1.96</b>      |
| <b>Closing Balances of Trust (recoverable/ (payable))</b> |                  |                  |
| k. EPF Trust                                              | 243.55           | 0.00             |
| l. PF Trust                                               | 4.81             | 6.01             |
| m. Pension Trust                                          | (0.15)           | 438.85           |

**(d) Transaction with Major Shareholder**

(Amount in ₹ lakhs)

| Particulars       | 2019-20 | 2018-19 |
|-------------------|---------|---------|
| Buyback of Shares | 293.45  | -       |

There are no other transactions with related parties as defined in Ind AS-24.



**B) Related party transactions in case of JV**

**In case of Bank Note Paper Mill India Pvt. Ltd. (Joint Venture) on the basis of unaudited financials as received from BNPMIPL**

| Related Party                                                         | Nature of Relationship                                                       |
|-----------------------------------------------------------------------|------------------------------------------------------------------------------|
| i. Security Printing & Minting Corporation of India Limited (SPMCIL). | Joint Venture Promoter with 50% equity shares & voting right in the company. |
| ii. Bhartiya Reserve Bank Note Mudran Private Limited (BRBNMPL).      | Joint Venture Promoter with 50% equity shares & voting right in the company. |

**List of Directors & Key Managerial Personnel under Ind AS 24 "Related Party Disclosures"**

| <b>Executive Director</b>                                                                       | <b>Nominee</b>                 |
|-------------------------------------------------------------------------------------------------|--------------------------------|
| Shri K.G.Viswanathan (Managing Director) Key Managerial Personnel (Appointed w.e.f. 02.12.2018) | BRBNMPL                        |
| Shri G. Jaganmohan Rao (Managing Director) Key Managerial Personnel (Ceased w.e.f. 01.12.2018)  | BRBNMPL                        |
| <b>Non-executive Directors</b>                                                                  | <b>Nominee</b>                 |
| Ms. Tripti P. Ghosh, Chairman (w.e.f. 01.05.2018)                                               | SPMCIL - Official Director     |
| Shri Ajai Kumar Srivastav (Appointed w.e.f. 19.07.2016)                                         | SPMCIL - Official Director     |
| Shri A.G. Rao Kulkarni (Re-appointed w.e.f. 13.07.2016)                                         | BRBNMPL - Independent Director |
| Shri Thakur Desai (Appointed w.e.f. 28.05.2018)                                                 | BRBNMPL - Official Director    |
| Shri S.K. Sinha (Appointed w.e.f. 01.09.2016)                                                   | SPMCIL - Official Director     |

**Transaction carried out with related parties:**

- i. The following transactions are carried out by the company with the related parties at arm's length in the ordinary course of business and on principal to principal basis.

(₹ in lakhs)

| Particulars                                 | BRBNMPL                |             | SPMCIL                 |           |
|---------------------------------------------|------------------------|-------------|------------------------|-----------|
|                                             | 2019-20<br>(Unaudited) | 2018-19     | 2019-20<br>(Unaudited) | 2018-19   |
| Revenue from Operation                      | 1,05,393.20            | 1,03,512.16 | 20,881.50              | 11,199.76 |
| Purchase of Goods & Services                | 53.57                  | 56.46       | -                      | 121.51    |
| Lease Rental Expense                        | 1.00                   | 1.00        | -                      | -         |
| Reimbursement of CISF Armoury Building Cost | 80.37                  | -           | -                      | -         |
| Trade & Other Receivables                   | 5,449.56               | -           | 2,607.76               | 2,616.21  |
| Trade Payables                              | 14.16                  | -           | -                      | -         |
| Advance against Sale of CWBN Paper          | -                      | 6,269.56    | -                      | -         |



**ii. Salary, allowance & benefits paid to Managing Director - BRBNMPL Nominee:**

| Particulars                                                      | ₹ in lakhs        |         |
|------------------------------------------------------------------|-------------------|---------|
|                                                                  | 2019-20 Unaudited | 2018-19 |
| Shri. K.G. Viswanathan, (Appointed with effect from 02.12.2018)* | 76.28             | 31.34   |
| Shri. G. Jaganmohan Rao, (Retired with effect from 01.12.2018)*  | 14.57             | 64.44   |

\* Does not include defined benefit costs (gratuity and leave salary). Actuarial valuation for defined benefit has been obtained for the pool of employees including the Managing Director and provided as defined benefits of employees in the books. Hence liability for defined benefit obligations for Managing director as an individual employee is not ascertainable.

**Note 35**

**Earnings Per Share - Ind AS-33**

| Particulars                                                  | 2019-20        | 2018-19        |
|--------------------------------------------------------------|----------------|----------------|
| Profit After Tax (in ₹ lakhs)                                | 67,792.82      | 60,599.04      |
| Weighted average number of equity shares used as denominator | 1,05,71,12,123 | 1,06,42,41,000 |
| Basic / Diluted Earnings per share (in ₹)                    | 6.41           | 5.69           |

**Note 36**

**Income Tax - Ind AS - 12**

The significant components and classification of deferred tax Assets and Liabilities on account of temporary difference during the financial year 2019-20 are:

| Particulars                                            | (Amount in ₹ lakhs) |
|--------------------------------------------------------|---------------------|
| Opening Balance of Deferred Tax Assets                 | 94,435.67           |
| Add: Deferred Tax Assets (Net) created during the year | (23,983.56)         |
| Closing Balance of Deferred Tax Assets                 | 70,452.11           |

**Note 37**

Balances of some of the Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmations/reconciliations and consequential adjustment, if any.

Reconciliations are carried out on on-going basis. Provisions, wherever considered necessary, have been made. However, Management does not expect to have any material financial impact of such pending confirmations/reconciliations.

**Note 38**

**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 39**

**Discontinued operations at Saifabad Unit (Discontinued IG Mint)**

IGM, Hyderabad has discontinued minting operations of its Saifabad Unit, Hyderabad with effect from 01.11.2009. After review of the Fixed assets register (FAR) and physical verification of the assets, items which were fully depreciated and have no realizable value have been removed from FAR. Other items not further usable have been identified for disposal and disclosed as assets held for disposal under current assets. Remaining useful items have been transferred to Cherlapally location except land and building.

**Note 40**

**Expenditure incurred towards Corporate Social Responsibility & Sustainable Development**

CSR amount required to be spent as per section 135 of the Company's Act, 2013 read with Schedule-VII, thereof, by the Company during the year is ₹1,573.44 lakh (Previous year ₹1,066.06 lakh).

During the year, the company has incurred an amount of ₹907.21 lakh (Previous Year ₹389.91 Lakh) on CSR. The details are as follows:





(Amount ₹ in lakhs)

| Sl. No. | CSR Project                                            | 2019-20       | 2018-19       |
|---------|--------------------------------------------------------|---------------|---------------|
| 1       | Construction of Library / Reading Rooms                | -             | 25.00         |
| 2       | Class Rooms / Toilets / Computers                      | -             | 40.60         |
| 3       | Skill Development Training Program                     | 10.27         | 86.92         |
| 4       | Fixing Paver Block at School                           | -             | 8.11          |
| 5       | Surgical Equipment to Hospital                         | -             | 28.57         |
| 6       | Dialysis Machines to Hospital                          | 30.00         | -             |
| 7       | Providing Insulated Distribution Vessels to Foundation | 18.26         | -             |
| 8       | Providing Computers & Furniture to Hospital            | 11.32         | -             |
| 9       | Construction of Bridge                                 | -             | 14.47         |
| 10      | Mobile Clinic & Dental Chairs                          | 21.74         | 37.95         |
| 11      | Providing Medical Equipment & Buses to Hospital        | 146.82        | 45.28         |
| 12      | Braille Watches and Sound System for Blind School      | -             | -             |
| 13      | Equipment, Computers & Furniture for School            | -             | 97.34         |
| 14      | Contribution to National Sports Development Fund       | 100.00        | -             |
| 15      | Contribution to Prime Ministers Relief Fund            | 238.67        | -             |
| 16      | Assistance Devices for Divyangjan                      | 25.00         | -             |
| 17      | Remuneration of Third Party Evaluation Payment         | 4.00          | 5.67          |
| 18      | Providing Underground Drainage System                  | 24.50         | -             |
| 19      | Ambulance to District Hospital                         | -             | -             |
| 20      | Building Community Center & Provision of Solar Lights  | 43.66         | -             |
| 21      | Providing Ventilators to AIIMS                         | 198.68        | -             |
| 22      | Nal Jal Yojna to 14 villages                           | 28.57         | -             |
| 23      | Administrative Expenses Towards Payment to Consultant  | 5.72          | -             |
|         | <b>Total</b>                                           | <b>907.21</b> | <b>389.91</b> |

## Note 41

### Events occurring after Balance Sheet Date—Ind AS 10

#### I. Events Occurring after Balance Sheet Date:

- (A) Vide letter dated 28.05.2020, Joint Director (C&C), Department of Economic Affairs, Ministry of Finance has conveyed the approval of the Hon'ble Finance Minister to the recommendations of the Office of the Chief Advisor Cost in respect of the Weighted Average Fair Selling Prices (FSP) of the circulation coins minted by 4 Mints of SPMCIL for the FY 2016-17 & FY 2017-18 respectively. As per the accounting policy of the company, the impact of change in rates is taken in the FY in which approval is conveyed. Accordingly, the impact of ₹18,661.83 lakhs, due to change in rates shall be booked during FY 2020-21.
- (B) Vide letters dated 06.05.2020 and 20.05.2020, approval for fair selling prices (FSP) for FY 2016-17 and FY 2017-18 for postal stationary items supplied by India Security Press, Nashik was communicated by the Chief Advisor Cost. As per the accounting policy of the company, the impact of change in rates is taken in the FY in which approval is conveyed. Accordingly, the impact of ₹954.52 lakhs, due to change in rates shall be booked during FY 2020-21.
- (C) Vide letter dated 22.04.2020, approval for Fair Selling prices (FSP) for FY 2015-16 for postal stationary items supplied by Security Printing Press, Hyderabad was communicated by the Chief Advisor Cost. As per the accounting policy of the company, the impact of change in rates is taken in the FY in which approval is conveyed. Accordingly, the impact of ₹2,614.74 lakhs, due to change in rates shall be booked during FY 2020-21.

#### II. Estimate Impact on Financial Statements:

- (A) Due to change in FSP of circulation coins, the revenue, trade receivables and Profit before Tax would have reduced by ₹18,661.83 lakh.
- (B) Due to change in FSP of postal stationery items, the revenue, trade receivables and profit before tax would have increase by ₹3,569.26 lakh.



## Note 42

### Recognition of Financial assets and Liabilities – Ind AS 32 & 109

#### a) Financial Assets at Amortized Cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognized in the Statement of Profit and Loss.

#### b) Financial assets at fair value through other comprehensive income:

Financial assets are measured at fair value if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the Statement of Profit and Loss. In respect of equity investments (other than for investment in subsidiaries and associates) which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Company on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.

#### c) Financial assets at fair value through profit or loss:

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other

comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognized in statement of profit and loss.

#### Equity Instruments and Financial Liabilities:

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### (i) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

##### (ii) Financial Liabilities

#### a) Initial Recognition and Subsequent Measurement

Financial liabilities are recognized initially at fair value and in case of borrowing and payables, net of directly attributable cost.

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### b) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, such an exchange is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.



**Disclosures related to Financial Instruments including but not limited to–**

**i) Financial Instrument by category:**

(Amount in ₹ lakhs)

| Particulars                        | 31 <sup>st</sup> March 2020 |                | 31 <sup>st</sup> March 2019 |                |
|------------------------------------|-----------------------------|----------------|-----------------------------|----------------|
|                                    | Carrying Amount             | Amortised Cost | Carrying Amount             | Amortised Cost |
| <b>Financial Assets:</b>           |                             |                |                             |                |
| Loans                              | 793.13                      | 793.13         | 910.78                      | 910.78         |
| Deposits & Receivable              | 5,871.50                    | 5,871.50       | 5,316.48                    | 5,316.48       |
| Trade Receivables                  | 1,33,343.61                 | 1,33,343.61    | 1,72,810.55                 | 1,72,810.55    |
| Cash & Cash Equivalents            | 3,742.03                    | 3,742.03       | 12,291.81                   | 12,291.81      |
| Other Bank Balances                | 2,00,017.86                 | 2,00,017.86    | 1,44,050.00                 | 1,44,050.00    |
| Receivables                        | 8,304.46                    | 8,304.46       | 15,191.27                   | 15,191.27      |
| Others                             | 8,942.33                    | 8,942.33       | 10,046.04                   | 10,046.04      |
| <b>Financial Liabilities:</b>      |                             |                |                             |                |
| Borrowings                         | 0.00                        | 0.00           | 0.00                        | 0.00           |
| Trade Payables                     | 26,847.67                   | 26,847.67      | 27,069.39                   | 27,069.39      |
| Security Deposit and Earnest Money | 1,208.43                    | 1,208.43       | 1,455.63                    | 1,455.63       |
| Employee Benefits                  | 2,837.69                    | 2,837.69       | 4,190.94                    | 4,190.94       |
| Expenses & Other Payable           | 25,530.77                   | 25,530.77      | 32,399.06                   | 32,399.06      |

**ii) Fair Value Measurement Hierarchy**

Since there are no financial instruments values at “Fair Value through Profit & Loss Account (FVTPL)” or “Fair value through Other Comprehensive income (FVTOCI)” and all the financial instruments are valued at Amortised Cost there is only one measurement Hierarchy above and as such there is no separate disclosure.

**iii) Fair values of financial assets and liabilities measured at amortised cost**

Table below shows Judgments and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements.

(Amount in ₹ lakhs)

| Particulars                   | 31 <sup>st</sup> March 2020 |                | 31 <sup>st</sup> March 2019 |                |
|-------------------------------|-----------------------------|----------------|-----------------------------|----------------|
|                               | Carrying Amount             | Amortised Cost | Carrying Amount             | Amortised Cost |
| <b>Financial Assets:</b>      |                             |                |                             |                |
| Loans                         | 793.13                      | 793.13         | 910.78                      | 910.78         |
| Deposits & Receivable         | 5,871.50                    | 5,871.50       | 5,316.48                    | 5,316.48       |
| <b>Financial Liabilities:</b> |                             |                |                             |                |
| Borrowings                    | 0.00                        | 0.00           | 0.00                        | 0.00           |

The carrying amounts of trade receivables, trade payables, Inter unit balances, short term deposits, cash and cash equivalents, employee benefit & other payable are considered to be the same as their fair values, due to their short- term nature.





The Company considers that the Security Deposits does not include a significant financing component. The Security Deposits coincide with the company's performance and the contract requires amounts to be retained for reasons other than the provision of finance. The withholding of a specified percentage of each milestone payment is intended to protect the interest of the company, from the contractor failing to adequately complete its obligations under the contract. Accordingly, transaction cost of Security deposit is considered as fair value at initial recognition and subsequently measured at amortised cost.

#### **iv) Financial Risk Management**

In pursuant to the guidelines on Corporate Governance issued by the Department of Public Enterprise (DPE) and in accordance with the provisions of Companies Act 2013, The Company has formed SPMCIL Risk Management Policy-2018.

As per the Governance Structure of SPMCIL Risk Management Policy, a Corporate Risk Committee (CRC) has been constituted to be supported by Risk owners. The CRC shall review all risks reported by Risk Owners, identify the Key risks and report them to the Risk Management Committee (RMC) of the Board of Directors of the Company.

The Risk Management Committee will ensure that Risk management activities are undertaken as per the policy and appraise the Board on the key Risks faced by the organization and mitigation measures taken at HO level.

#### **Note 43**

##### **Note on Property, Plant and Equipment**

During the period 2010-11 to 2015-16, the Company had accounted for the interest earned during the project construction period from unutilized/surplus funds out of equity infused for setting up the project and other miscellaneous receipts amounting to ₹90.63 crores as capital receipts and adjusted the same against the cost of Property, Plant and

Equipment (PPE).

In the absence of specific accounting treatment, the interest earned being inextricably linked with the project construction, the company had reduced interest income from pre-operative expenses and net pre-operative expenses were capitalised with PPE. In order to confirm the accounting treatment followed by the company in the books of account, C&AG had advised the management to obtain an opinion from the Expert Advisory Committee (EAC) of Institute of Chartered Accountants of India (ICAI) on this issue and accordingly, the company referred the matter to EAC of ICAI for its expert opinion in June 2015.

The EAC of ICAI in its opinion mentioned that, only those item of income arising from the activities that are directly attributable to the construction of the project for bringing it to its working condition for its intended use would go on to reduce the project cost and concluded that, interest earned on fixed deposits made out of equity funds is an income arising out of the company's ancillary activities which are not directly attributable to the project and therefore, these cannot be adjusted against the pre-operative expenses.

In the opinion of the management, the EAC had not considered the facts and circumstances of the case, hence, the company thereafter made a review application with the EAC for reconsideration of their opinion. Subsequently, in view of the comprehensive order of the Hon'ble Karnataka High Court in the Company's own case and basis the legal opinion the company had re-submitted its review application to EAC of ICAI on May 20, 2019.

Subsequently, however, the EAC of ICAI has not accepted the review application and confirmed their original pronounced opinion vide letter dated on October 23, 2019. Accordingly, in order to comply with the EAC's pronounced opinion, the company has retrospectively modified the accounting treatment and duly adjusted the interest earned on fixed deposits made out of equity funds and other miscellaneous receipts amounting to ₹90.63 crore with the pre-operative expenses and consequently



restated the cost of project with retrospective effects in line with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Error. The effect of retrospective adjustment is given below:

(Amount ₹ in lakhs)

| Particulars                                                 | As on<br>March 31,<br>2020<br>Unaudited | As on<br>April 01,<br>2019 |
|-------------------------------------------------------------|-----------------------------------------|----------------------------|
| <b>A. Effect in Statement of Profit and Loss</b>            |                                         |                            |
| Depreciation                                                | 700.46                                  | NA                         |
| Changes in Inventories of Finished Goods & Work-in-Progress | 53.81                                   | NA                         |
| Deferred Tax                                                | (244.77)                                | NA                         |
| Profit Before Tax                                           | (754.27)                                | NA                         |
| Profit After Tax                                            | (509.51)                                | NA                         |
| Revised Earning per Share (Basic and Diluted)               | 2.32                                    | NA                         |
| <b>B. Effect in Balance Sheet</b>                           |                                         |                            |
| Property, Plant and Equipment (Gross Block)                 | -                                       | 9,117.57                   |
| Accumulated Depreciation                                    | 700.46                                  | 1,344.99                   |
| Property, Plant and Equipment (Net block)                   | (700.46)                                | 7,772.58                   |
| Inventories                                                 | 66.75                                   | 120.56                     |
| Deferred Tax Liability                                      | (244.77)                                | 2,716.05                   |
| Other Equity                                                | (509.51)                                | 5,177.09                   |

## Note 44

### Pension Fund Trust Liability

The details of liability towards pension & death cum retirement gratuity for 2019-20 is given below:

As per the actuarial valuation, total amount of liability towards pension and death cum retirement gratuity as on 31.03.2020 is ₹1,62,675.75 lakh. Shortfall after considering the plan assets amounting to ₹56,695.37 lakh as on 31.03.2020 is ₹1,05,980.38 lakh. Total amount of liability provided for in books of accounts till 31.03.2019 was ₹83,801.70 lakh. Therefore, total

amount of shortfall to be provided for in books of accounts as on 31.03.2020 is ₹22,178.68 lakhs.

(Amount in ₹ lakhs)

| Sl. No. | Particulars                                              | As on<br>31.03.2020 | As on<br>31.03.2019 |
|---------|----------------------------------------------------------|---------------------|---------------------|
| 1       | Obligation of Pension and Death cum Retirement Gratuity. | 1,62,675.75         | 1,43,763.61         |
| 2       | Less: Fair value of plan assets of Pension Fund          | 56,695.37           | 36,295.66           |
| 3       | Shortfall [(1) - (2)]                                    | 1,05,980.38         | 1,07,467.95         |
| 4       | Liability provided for in earlier years (Net of payment) | 83,801.70           | 84,636.69           |
| 5       | Shortfall as at the end of year                          | 22,178.68           | 22,831.26           |

Amount of liability as on 31.10.2008 i.e. the date of absorption of Govt. employees to SPMCIL was paid by Ministry of Finance as per the Rule 37-A of the CCS (Pension) Rules, 1972 and liability was not settled on the basis of actuarial valuation. Therefore, Amount of liability towards pension and death cum retirement gratuity was recalculated as on 31.10.2008 on the basis of actuarial valuation. Amount of liability as on 31.10.2008 came out to be ₹37,330.85 Lakh. As the Ministry of Finance had paid an amount of ₹18,174 Lakh against this liability, matter has been taken up with Ministry of Finance to receive the balance amount of ₹19,157 lakh (i.e. ₹37,330 lakh – ₹18,174 lakh). This amount has not been accounted for as receivable from Ministry of Finance during FY 2019-20. Amount shall be accounted for in the year of receipt from Ministry of Finance.

## Note 45

### Leases - Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease



accounting model for lessees.

Effective April 01, 2019, the Company has adopted Ind AS 116 – Leases and applied the standard to the lease contract existing on April 01, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the date of initial application at a present value of the remaining lease payments discounted at the incremental borrowing rate and the right of use asset at an amount equal to the lease liability at the date of initial application. Accordingly, the Company has not restated comparative information.

The Company has recognized a right-of-use asset and a lease liability of ₹13.87 lakhs as on the transition date. The incremental borrowing rate of 8.25% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The principal portion of the lease payments have been disclosed under cash flows from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flows from operating activities.

During the year ended 31<sup>st</sup> March 2020, the Company incurred expenses amounting to ₹65.93 lakhs short-term leases and leases of low-value assets. For the year ended 31<sup>st</sup> March 2020, the total cash outflows for leases, including short-term leases and low-value assets amounted to ₹66.93 lakhs.

Lease contracts entered into by the Company pertains to land taken on lease to conduct its business in the ordinary course.

**Impact of adoption of Ind AS 116 on statement of Profit and Loss is as follows:-**

| Particulars                                 | (Amount in ₹ lakhs)<br>As per Unaudited Financials |
|---------------------------------------------|----------------------------------------------------|
| Amortization – Right of use Asset           | 0.63                                               |
| Interest Cost - Operating Lease Liabilities | 1.06                                               |
| Rental Expense                              | 65.93                                              |
| <b>Total</b>                                | <b>67.62</b>                                       |

## Note 46

### Slow Moving/ Non-Moving Inventory

Company is holding stock of slow and non-moving items. Valuation has been done at lower of cost or net realizable value. NRV has been ascertained in the units by forming a standing committee/condemnation committee having members from Stores, Finance and Technical committee.

## Note 47

### Gold Lying with RBI

85,555 Gms of Gold is lying with RBI. Out of the above, gold weighing 10,336 gms was already accounted for in 2006-2007, under the head Gold with RBI, The possession of which is with RBI. IG Mint Mumbai will be arranging to take over possession of the same. 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 the gold does not belong to the unit, and hence the same has not been considered in the accounts.

## Note 48

### Change in Accounting Policies (as per Ind AS-8)

#### I. Materiality

During the year, the Company has changed its accounting policy with respect to the defining Materiality in respect of Prior period errors.

#### (a) The change is as follows:

An item of income or expenditure of one or more prior periods is considered material only if, it exceeds 0.5% of total revenue of the company, as per last year's audited financial statements in each such case.

Prior to this change in policy, the Company applied materiality concept on case to case basis.

Reason to adopt this materiality policy is to ensure that financial statements include all the financial information that could influence stakeholder's decisions.

#### (b) Impact of Change in Policy

##### i) Impact on previous year Financial Statements:

Due to change in policy, following retrospective adjustments have been made in the financials





of Financial Year 2018-19:

(Amount in ₹ lakhs)

| Particulars                                                             | Figure as per audited balance sheet during previous year |
|-------------------------------------------------------------------------|----------------------------------------------------------|
| Performance Related Pay pertaining to Financial Year 2017-18.           | 500.00                                                   |
| Depreciation on Plant & Machinery pertaining to Financial Year 2017-18. | 814.75                                                   |
| AMC of SAP pertaining to Financial Year 2017-18.                        | 133.98                                                   |
| <b>Total</b>                                                            | <b>1,448.73</b>                                          |

During the Financial Year 2018-19, the Impact of ₹1,448.73 lakhs was taken in Financials of 2017-18 by restating the figures of Financial Year 2017-18. Now due to change in policy, the impact of ₹1,448.73 Lakhs has been taken in Financial Year 2018-19. Due to this restatement, the profit for Financial Year 2018-19 stands restated to ₹80,069.39 Lakh from ₹81,518.12 lakh. Further, the Earning Per Share for FY 2018-19 stands restated to ₹4.87/- from ₹5.00/-.

**ii) Impact on Current year financial statements:**

The change in accounting policy of the company at 2.4.19 materiality of income / expenditure, Profit of the current financial year has increased by ₹1,169.43 Lakhs for which details are as under:

| Description                                        | Amount (₹ in lakhs) |
|----------------------------------------------------|---------------------|
| Machine cost booked to R&M instead of CWIP 2018-19 | (733.70)            |
| Freight outward reimbursed by BRBNMPL 2018-19      | (252.65)            |
| Provision reversed                                 | (152.17)            |
| Interest on fixed deposit                          | (396.27)            |
| Water charges                                      | 22.68               |
| Common GST expenses reversal 2017-18               | 25.05               |
| Common GST expenses reversal 2018-19               | 11.05               |
| PRP Provision - 2017-18                            | 75.09               |
| PRP Provision - 2018-19                            | 82.60               |
| Loss on discard of asset                           | 25.17               |
| Advertisement expenses                             | 0.31                |
| Packing & forwarding expenses                      | 0.43                |



| Description                                | Amount (₹ in lakhs) |
|--------------------------------------------|---------------------|
| Provision for Rate difference-postal item  | 396.62              |
| Sales tax provision (2018-19 part payment) | 581.00              |
| Compassionate Appointment                  | 61.41               |
| Recovery CISF expenses                     | (86.63)             |
| Adjustment of Expenses of leave encashment | (696.00)            |
| Adjustment in Deferred Tax Asset           | (133.42)            |
| <b>Total</b>                               | <b>(1,169.43)</b>   |

**II. Revenue Recognition**

During the year, the Company changed its accounting policy with respect to the revenue recognition from sale of currency notes.

**(a) The change is as follows:**

Prior to change in policy, in case of Bank Notes, revenue was recognized on the basis of rates approved by MoF as on year to year basis.

**The revised policy is as follows:**

Revenue is recognized at predetermined rates. The difference between the billing rates and the rates as approved by MoF on year to year basis, is accounted for in the Financial Year in which such rates are accepted by RBI.

**Reason for Change :**

The rates as approved by MoF are not being agreed upon by RBI for payment of the same. Therefore, change in accounting policy is being made to be aligned with Ind AS 115. Revenue from sale of currency notes on revised rates will be accounted for on acceptance of same by customers, i.e RBI.

**(b) Impact of Change in Policy:**

**i) Impact on previous year financial statements:**

The selling rates of bank notes were approved by MoF for the years 2011-12 to 2014-15 and demand was raised on RBI for payment of ₹12,670 Lakhs being difference of selling price. RBI Central Board vide letter dated 16.07.2017 has not agreed for the rates approved by the Ministry and therefore the company has not recognised the revenue in accordance with the accounting policy. As per the changed policy there is no impact on the current year and previous year's profit.



## Note 49

### Details of Long Term Borrowings, Terms of Repayment & Rate of Interest

(Amount in ₹ lakhs)

| Outstanding Balances |                      |                                     |                                            |                                        |                                                  |
|----------------------|----------------------|-------------------------------------|--------------------------------------------|----------------------------------------|--------------------------------------------------|
| Bank Names           | As at March 31, 2019 | Drawal/ (Repayment) during the F.Y. | Non-Current as at March 31, 2020 Unaudited | Current as at March 31, 2020 Unaudited | Total outstanding as on March 31, 2020 Unaudited |
| State Bank of India  | 25,000.00            | -                                   | 25,000.00                                  | -                                      | 25,000.00                                        |
| <b>Total</b>         | <b>25,000.00</b>     | <b>0.00</b>                         | <b>25,000.00</b>                           | <b>0.00</b>                            | <b>25,000.00</b>                                 |

Loan tenure is 11.25 years with 3.25 years moratorium on repayment of principal which is repayable in 16 half yearly instalments commencing from September 2017. The applicable interest rate is three month MCLR of the bank.

### Details of Security provided for bank loan:

| Particulars of security provided for term loan:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | In favour of State Bank of India to the extent of ₹ in Lakhs. | In favour of HDFC Bank Ltd. to the extent of ₹ in Lakhs.                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------|
| <p>a) Secured by specific pari-passu first charge on plant and machinery for manufacturing of bank note paper of capacity 12000TPA excluding 34.462 acres of land taken on lease from Bharatiya Reserve Bank Note Mudran Private Limited and building thereon.</p> <p>b) Specific second pari-passu charge on all stock in trade present and future, all book debts, outstanding money receivable, claims and bills which are now due and owing or which at any time hereafter during the continuance of this security become due and owing to the company in the course of its business.</p> <p>Note: Charge is created in favour of the lenders to the extent of the amount mentioned in the respective column plus interest, cost &amp; charges, if any.</p> | 40,000.00                                                     | Nil                                                                         |
| Particulars of security provided for working capital loan:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                               |                                                                             |
| <p>Secured by specific pari-passu first charge on all the stock in trade both present and future consisting of raw materials, finished goods, goods in process of manufacturing and other merchandise with all the book debts, outstanding monies receivable, claims and bills which are now due and owing or which may at any time hereafter during the continuance of this security become due and owing to us in course of its business.</p> <p>Specific second pari-passu charges on plant and machinery for manufacturing of bank note paper of capacity 12000TPA excluding 34.462 acres of land taken on lease from Bharatiya Reserve Bank Note Mudran Private Limited and building thereon.</p>                                                          | NIL                                                           | ₹12,500.00 of which ₹7,000.00 is fund based and ₹5,500.00 is Non fund based |
| <p>The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks &amp; financial institutions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                               |                                                                             |



## Note 50

### Buy Back of Shares

In accordance with the Guidelines on Capital Restructuring of CPSEs issued by Department of Investment & Public Asset Management (DIPAM), the Company has bought back 767.40 Lakh Equity Shares of ₹10/- each (fully paid) being 7.21% of aggregate of paid-up equity and free reserves as on 31.3.2019 from Government of India in the year 2019-20. The book value per share was arrived at ₹38.24 per share as per the certificate received from Statutory Auditors of the Company. The free reserves of the Company were utilized for the purpose of aforesaid buyback of shares. The company has bought back shares of face value of ₹7,674.03 lakhs out of the Capital and utilised free reserves of ₹21,671.45 lakhs. Payment of ₹5,048.58 lakhs as income tax against buy back was also paid. The aforesaid buyback of shares was done in compliance of the provisions of Companies Act, 2013 and rules framed thereunder.

## Note 51

### Dividend

During the year, the company has paid dividend of ₹21,848 lakhs to the shareholders and ₹4,490.92 lakhs towards dividend distribution tax out of the reserves and surplus.

## Note 52

### Funds from Government of India (Adjustable) During the year

Balance in "Funds from Government of India (Adjustable)" Account as on 31.03.2014 was ₹2,87,864 lakhs. As per the letter No. 3/2/2008-Cy. III/SPMC dated 09.02.2015 the capital structure of the SPMCIL was finalized w.e.f. 01.04.2015 (Letter No. 3/2/2008-Cy.III/SPMC dated 24.07.2015) & (Letter No.13/2/2016-SPMC dated 04.03.2020). As per the finalised Capital Structure ₹1,18,244 lakhs was transferred to Equity, ₹1,18,245 lakhs were transferred to Repayable Loan and ₹33,400 lakhs were transferred to Capital Reserve. The balance amount of ₹17,975.76 lakhs was lying in the "Funds from Government of India (Adjustable)" Account.

The company has balances on account of amounts

due from the Govt. for the accumulated balances of combined optee employees with PAO ₹369.50 lakhs ₹901.97 lakhs towards opening balances and the interest amounts recoverable from PAO at the time of corporatisation for the pro- rata optee employees and ₹850.24 lakhs on account of unreconciled balances with MoF. The total amount of ₹2,121.71 lakhs has been adjusted from the amounts payable and now the balance adjustable from GOI is ₹15,854.05 lakhs which is yet to be settled with Ministry of Finance.

## Note 53

### Investment in Joint Venture

- (a) A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.
- (b) The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.
- (c) The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.
- (d) Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.



- (e) The Group's share of profit or loss of a joint venture is shown on the face of the statement of profit and loss. The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

## Note 54

### Appointment of Independent Director

SPMCIL being a Govt. Company, as per Articles of association the power to appoint Directors vests with the President of India, through Ministry of Finance. The appointment of independent directors is under consideration of Ministry of finance.

## Note 55

### Impact of COVID 19

The Financial statements are prepared on the assumption that a company is a going concern and will continue in operation for the foreseeable future. Management of the company assessed the impact of COVID-19 and the relevant measures has been considered to continue as a going concern. Being

supplier of essential supplies recognized by the Central Government, all the Significant accounting policies of the company are not affected by the impact of COVID-19.

As part of its review of the year-end balance sheet, the Company has made an assessment of recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Inventory and Financial assets and has concluded that no adjustments are required to be made to the carrying values of such assets as at March 31, 2020.

## Note 56

### Provision for Doubtful Debts

100% provision has been made in the books of accounts against debtor's balances outstanding for more than three years as on the date of balance sheet, i.e. March 31, 2020.

## Note 57

In order to have better presentation the previous year's figures have been recasted/restated/reclassified, wherever necessary, to conform to current year's classification.

### For M/s. Ashwani & Associates

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

**(Sanjeeva Narayan)**

Partner

Membership Number: 084205

UDIN : 20084205AAAAALF5357

Date: 20.08.2020

Place: New Delhi

### On behalf of Security Printing and Minting Corporation of India Limited

Sd/-

**(Sachin Agarwal)**

Company Secretary

(PAN: ADRPA9630Q)

Sd/-

**(Ajay Agarwal)**

Director (Finance) & CFO

(DIN : 06778079)

Sd/-

**(Tripti P. Ghosh)**

Chairman and Managing Director

(DIN : 08123112)





## AOC - 1

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/JOINT VENTURES

(Pursuant to First Proviso to Sub-section (3) of Section 129 read with Rule 5 of the Companies  
(Accounts) Rules, 2014)

#### Part "A"

|              |                |
|--------------|----------------|
| Subsidiaries | Not Applicable |
|--------------|----------------|

#### Part "B" : Associates and Joint Ventures

| Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate |                                                     |
|--------------------------------------------------------------------------------------|-----------------------------------------------------|
| Name of Associates/Joint Ventures                                                    | Bank Note Paper Mill India Pvt. Ltd.                |
| 1. Latest Audited Balance Sheet Date                                                 | 31.03.2020                                          |
| 2. Number of Shares of Joint Venture held by the Company at the year end             | 40,00,00,000                                        |
| Amount of Investment in Associate/Joint Venture                                      | ₹4,00,00,00,000                                     |
| 3. Description of how there is significance influence                                | Pursuant to Section 2(6) of the Companies Act, 2013 |
| 4. Reason why the Associate/Joint Venture is not consolidated                        | N.A.                                                |
| 5. Net Worth attributable to shareholding as per latest unaudited Balance Sheet      | ₹8,43,24,87,000                                     |
| 6. Profit /(Loss) for the year                                                       | ₹1,31,82,24,500                                     |
| (i) Considered in Consolidation                                                      | Yes                                                 |
| (ii) Not considered in Consolidation                                                 | N.A.                                                |

- Names of Association or Joint Ventures which are yet to commence operation – N.A.
- Names of Associates or Joint Ventures which have been liquidated or sold during the year - N.A.

#### For Ashwani & Associates

Chartered Accountants

Firm's Registration Number : 000497N

Sd/-

**(Sanjeeva Narayan)**

Partner

Membership Number: 084205

UDIN : 20084205AAALF5357

Date: 20.08.2020

Place: New Delhi

#### On behalf of Security Printing and Minting Corporation of India Limited

Sd/-

**(Sachin Agarwal)**

Company Secretary

(PAN: ADRPA9630Q)

Sd/-

**(Ajay Agarwal)**

Director (Finance) & CFO

(DIN : 06778079)

Sd/-

**(Tripti P. Ghosh)**

Chairman and Managing Director

(DIN : 08123112)



## GLOSSARY

|                     |                                                          |
|---------------------|----------------------------------------------------------|
| AMS                 | Attendance Management System                             |
| APR                 | Annual Property Return                                   |
| APV                 | Annual Physical Verification                             |
| BARC                | Bhabha Atomic Research Centre                            |
| BNP                 | Bank Note Press                                          |
| BNPMIPL             | Bank Note Paper Mill India Private Limited               |
| BND                 | Bhartiya Nirdeshak Dravya                                |
| BPS                 | Banknote Processing System                               |
| CAG                 | Comptroller & Auditor General of India                   |
| CAC                 | Chief Advisor Cost                                       |
| CDA                 | Central Dearness Allowances                              |
| CECRI               | Central Electro Chemical Research Institute              |
| CESTP               | Combined Effluent and Sewage Treatment Plant             |
| CIF                 | Cost, Insurance and Freight                              |
| CIPET               | Central Institute of Plastics Engineering and Technology |
| CISF                | Central Industrial Security Force                        |
| CMD                 | Chairman and Managing Director                           |
| CNP                 | Currency Note Press                                      |
| 7 <sup>th</sup> CPC | 7 <sup>th</sup> Central Pay Commission                   |
| CPSE                | Central Public Sector Enterprises                        |
| CRM                 | Certified Reference Material                             |
| CRN                 | Computerised Random Numbering                            |
| CSIR                | Council of Scientific and Industrial Research            |
| CSR                 | Corporate Social Responsibility                          |
| CTE                 | Chief Technical Examiner                                 |
| CTP                 | Computer to Offset Plate Making System                   |
| CVC                 | Central Vigilance Commission                             |
| CVO                 | Chief Vigilance Officer                                  |
| CWBN                | Cylinder Watermarked Bank Note                           |
| DDG                 | Deputy Director General                                  |
| DEA                 | Department of Economic Affairs                           |
| DIN                 | Director Identification Number                           |
| DIPAM               | Department of Investment & Public Asset Management       |
| DOP                 | Department of Posts                                      |
| DPE                 | Department of Public Enterprises                         |
| DPR                 | Detailed Project Report                                  |
| EMS                 | Environmental Management System                          |

|        |                                                                       |
|--------|-----------------------------------------------------------------------|
| EMD    | Earnest Money Deposit                                                 |
| EP     | Enterprise Portal                                                     |
| ERP    | Enterprise Resource Planning                                          |
| ETP    | Effluent Treatment Plant                                              |
| FIFO   | First in First Out                                                    |
| HH     | Hearing Handicapped                                                   |
| HRD    | Human Resource Development                                            |
| IB     | Intelligence Bureau                                                   |
| ICAI   | Institute of Chartered Accountants of India                           |
| ICAI   | Institute of Cost Accountants of India                                |
| ICC    | Indian Chamber of Commerce                                            |
| ICSI   | Institute of Company Secretaries of India                             |
| IDA    | Industrial Dearness Allowance                                         |
| IEM    | Independent External Monitor                                          |
| IGM    | India Government Mint                                                 |
| IIIT   | Indraprastha Institute of Information Technology                      |
| IMC    | Inter-Ministerial Committee                                           |
| IND AS | Indian Accounting Standard                                            |
| IP     | Integrity Pact                                                        |
| ISP    | India Security Press                                                  |
| JV     | Joint Venture                                                         |
| KPMG   | KPMG India Limited                                                    |
| KW     | Kilowatt                                                              |
| LDPE   | Low-density polyethylene                                              |
| LTC    | Leave Travel Concession                                               |
| MEA    | Ministry of External Affairs                                          |
| MHA    | Ministry of Home Affairs                                              |
| MOF    | Ministry of Finance                                                   |
| MoU    | Memorandum of Understanding                                           |
| MPCS   | Million Pieces                                                        |
| MSEs   | Micro and Small Enterprises                                           |
| MSMEs  | Micro, Small & Medium Enterprises                                     |
| MT     | Metric Ton                                                            |
| NABL   | National Accreditation Board for Testing and Calibration Laboratories |
| NCL    | National Chemical Laboratory                                          |
| NJSP   | Non-Judicial Stamp Paper                                              |
| NPL    | National Physical Laboratory                                          |
| OEM    | Original Equipment Manufacturer                                       |
| OH     | Orthopaedically Handicapped                                           |
| OLIC   | Official Language Implementation Committee                            |
| OVI    | Optically Variable Ink                                                |
| PAO    | Pay and Account Office                                                |
| PSEs   | Public Sector Enterprises                                             |

|           |                                                            |
|-----------|------------------------------------------------------------|
| PRP       | Performance Related Pay                                    |
| PSP       | Passport Seva Project                                      |
| PWD       | Persons With Disabilities                                  |
| QA        | Quaternary Alloy                                           |
| R&D       | Research and Development                                   |
| RAFA      | Research Alliance Framework Agreement                      |
| RBI       | Reserve Bank of India                                      |
| RMP       | Risk Management Policy                                     |
| SAP       | Systems, Applications, Products in data processing         |
| SC/ST/OBC | Scheduled Castes/Scheduled Tribes/Other Backward Class     |
| SD        | Sustainable Development                                    |
| SI        | Système International d'Unités                             |
| SOI       | Super Orlof Intaglio                                       |
| SPM       | Security Paper Mill                                        |
| SPMCIL    | Security Printing and Minting Corporation of India Limited |
| SPP       | Security Printing Press                                    |
| TOLIC     | Town Official Language Implementation Committee            |
| UAT's     | User Acceptance Testing                                    |
| VH        | Visually Handicapped                                       |

## FINANCIAL TERMS

|        |                                                            |
|--------|------------------------------------------------------------|
| CAPEX  | Capital Expenditure                                        |
| CD     | Customs Duty                                               |
| EBIDTA | Earnings Before Interest Depreciation Tax and Amortisation |
| ED     | Excise Duty                                                |
| EPS    | Earnings Per Share                                         |
| GDP    | Gross Domestic Product                                     |
| PAT    | Profit after Tax                                           |
| PBIDTA | Profit before Interest Depreciation Tax and Amortization   |
| PBIT   | Profit before Interest and Tax                             |
| PBT    | Profit before Tax                                          |
| TCI    | Total Comprehensive Income                                 |
| WIP    | Work-in-Progress                                           |
| SA     | Standards on Auditing                                      |
| FSP    | Fair Selling Price                                         |
| NRV    | Net Relisable Value                                        |



*Manufacturer of Instruments of Faith*



**SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED**

**Regd. Office: 16<sup>th</sup> Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi-110 001**

Phone: 011-23701225-26, Fax: 011 – 23701223

**(CIN: U22213DL2006GOI144763)**

**NOTICE**

Notice is hereby given that the 15<sup>th</sup> (Fifteenth) ANNUAL GENERAL MEETING of the members of Security Printing and Minting Corporation of India Limited (SPMCIL) will be held on Wednesday the 16<sup>th</sup> day of December 2020 at 2:30 pm at The Park, 15 Sansad Marg, Hanuman Road Area, Connaught Place, New Delhi-110001 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Standalone as well as Consolidated Financial Statements for the financial year ended 31<sup>st</sup> March 2020 together with the Reports of the Directors' and the Auditors' thereon.
2. To declare the Final Dividend @ 5% of Net worth of the Company for the financial year 2019-20.
3. To fix the remuneration of the Auditors of the Company appointed by the Comptroller and Auditor General of India for the year 2020-21.

**SPECIAL BUSINESS**

4. **To ratify the remuneration of the Cost Auditors and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force, the aggregate remuneration of ₹40,000/- plus GST per financial year to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the unit(s) of the Company falling under purview of Cost Audit for the financial years ending 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2021 be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By Order of the Board of Directors**

**(Sachin Agarwal)**

Company Secretary

(PAN: ADRPA9630Q)

**Place:** New Delhi

**Date:** 16<sup>th</sup> December 2020

**NOTES:**

1. A Member entitled to attend and Vote is entitled to appoint a Proxy to attend and Vote instead of himself. Such Proxy need not be a member of the Company. The Proxy form is enclosed.
2. Member/Proxy holder must bring the attendance slip to the meeting and hand it over, at the entrance of Meeting Hall, duly signed.
3. Route Map for venue of Annual General Meeting is also annexed.



## **STATEMENT SETTING OUT THE MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS IN PURSUANCE OF SECTION 102(1) OF THE COMPANIES ACT, 2013**

### **Item No. 4**

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Murthy & Co. LLP, Cost Accountants as the Cost Auditors at an aggregate remuneration of ₹40,000/- plus GST per financial year to conduct the audit of the cost accounting records of the various unit(s) of the Company under the purview of Cost Audit for the financial year ending 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2021.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought by passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2021. None of the Directors / Key Managerial Personnel of the Company is interested or concerned in the resolution.

**By Order of the Board of Directors**

**(Sachin Agarwal)**  
Company Secretary  
(PAN: ADRPA9630Q)

**Place:** New Delhi

**Date:** 16<sup>th</sup> December 2020





*Manufacturer of Instruments of Faith*



**SECURITY PRINTING AND MINTING CORPORATION OF INDIA LIMITED**

**Regd. Office: 16<sup>th</sup> Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi – 110 001**

Phone: 011-23701225-26, Fax: 011 – 23701223

**(CIN : U22213DL2006GOI144763)**

**ATTENDANCE SLIP**

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL**

Name of Shareholder/Proxy: \_\_\_\_\_

Registered Folio No: \_\_\_\_\_

I hereby record my presence at the 15<sup>th</sup> ANNUAL GENERAL MEETING of Security Printing and Minting Corporation of India Limited (SPMCIL) at 2:30 pm on Wednesday, the 16<sup>th</sup> day of December 2020 at The Park, 15 Sansad Marg, Hanuman Road Area, Connaught Place, New Delhi-110001.

Signature

**Place:** New Delhi

**Date:** 16<sup>th</sup> December 2020



**Form No. MGT-11**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : **U22213DL2006GOI144763**  
Name of the company : **Security Printing and Minting Corporation of India Limited (SPMCIL)**  
Registered office : **16<sup>th</sup> Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi-110001**

|                       |   |       |
|-----------------------|---|-------|
| Name of the member(s) | : | ..... |
| Registered address    | : | ..... |
| E-mail Id             | : | ..... |
| Folio No.             | : | ..... |

I/We, being the member (s) of ..... shares of the above named company, hereby appoint:

1. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ....., or failing him
2. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ....., or failing him
3. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 15<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, the 16<sup>th</sup> day of December 2020 at 2:30 pm at The Park, 15 Sansad Marg, Hanuman Road Area, Connaught Place, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. ....
2. ....
3. ....
4. ....



Signed this 16<sup>th</sup> day of December 2020

Signature of Shareholder :

Signature of Proxy Holder(s) :

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting

# ROUTE MAP OF THE VENUE OF ANNUAL GENERAL MEETING





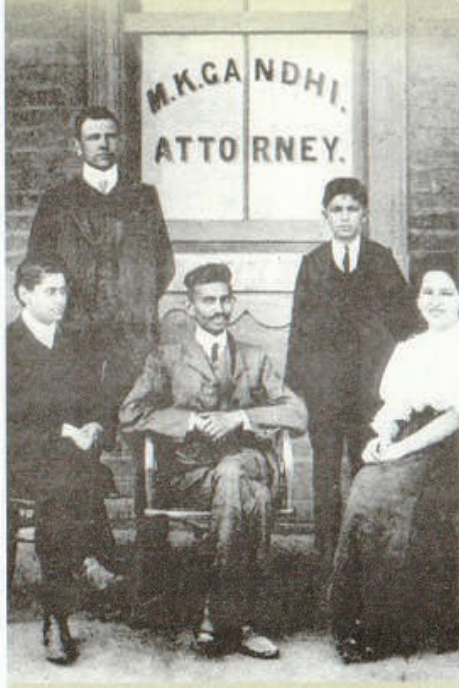
# महात्मा गाँधी

## 150<sup>th</sup> BIRTH ANNIVERSARY

महात्मा गांधी की 150 वीं जयन्ती  
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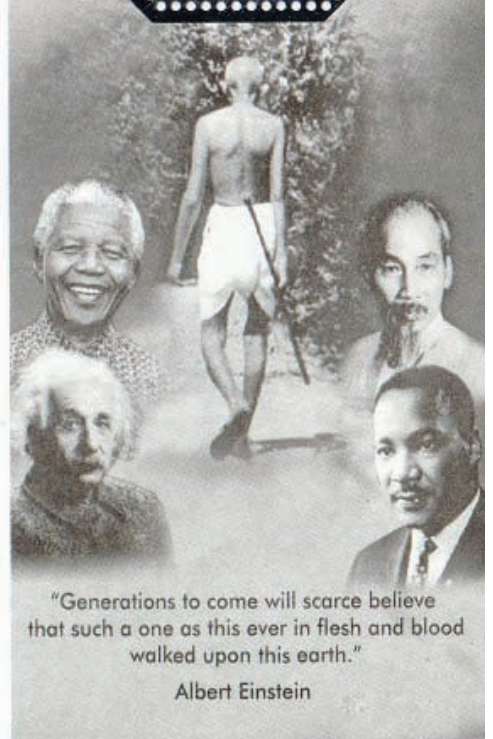
महात्मा गांधी की 150 वीं जयन्ती  
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150<sup>th</sup> BIRTH ANNIVERSARY OF  
MAHATMA GANDHI



"Generations to come will scarce believe  
that such a one as this ever in flesh and blood  
walked upon this earth."

Albert Einstein

# एसपीएमसीआईएल नेटवर्क/ SPMCIL NETWORK

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वेबसाइट : Web: www.spmcil.com  
सीआईएन : U22213DL2006GOI144763

## Security Printing and Minting Corporation of India Limited

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