



CMA AJAY AGARWAL (ICoAS)

Director (Finance)

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Shri Ajay Agarwal joined SPMCIL as Director (Finance) w.e.f. 23rd November 2017. He is a Gold Medalist Commerce Graduate, Cost & Management Accountant and Masters in Business Administration (HR). He joined Indian Cost Accounts Service in the year 1992 and has served various Ministries & field organizations in various capacities. He 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 also worked as Chief Vigilance Officer, IREDA under Ministry of New & Renewable Energy. He was 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. He has attended various training programmes in India and abroad including training in Financial Analytical Skills in London School of Economics and training on Public Private Partnership (PPP) in a renowned institute of USA, The Institute of Public Private Partnerships (IP3), Washington.

Shri Ajay Agarwal has more than 30 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 control, cost control, process improvement, compliance, statutory and management reporting.

Q. How would you describe your journey as Director (Finance) of SPMCIL, such a prestigious organization?

A. My journey as Director (Finance) of SPMCIL has been extremely fulfilling to say the least. To be associated with such a prestigious organization with rich history and tradition of carrying out the sovereign function of printing currency for the nation instils a sense of pride in me. I joined SPMCIL in November 2017 and it's been nearly 3 years with the organization. During the course of these 3 years, I have introduced multiple initiatives across the finance function to make it more robust and productive. My intent has been to transform the role of Finance department from a 'controller' to an 'enabler' for new initiatives in alignment with industry requirements. I would like to express my deep sense of appreciation to the CMD and my fellow Directors for supporting me at every step during this time.

Q. Before joining SPMCIL you served in various ministries like Ministry of Food Processing Industries, Ministry of Finance, Ministry of Health & Family Welfare and Ministry of Commerce. Can you tell us about which ministry you found very challenging and how you handled it?

A. I would say my 5-year stint from 2005-2010 with the Ministry of Health & Family Welfare was one of the most challenging as well as the most fulfilling. I got an opportunity to work on myriad areas impacting healthcare system in India. I oversaw some of the key initiatives of the Ministry including but not limited to revamping of Central Government Health Scheme (CGHS), Contingency Plan for dealing with Emergencies,

Administrative Booklet for streamlining procurement and other administrative issues in 110 subordinate offices of Ministry across India etc.

Q. How has the company performed over the past year?

A. Despite the challenges of the business and its surrounding environment, SPMCIL has registered yet another year of strong performance in 2019-20. While focusing on the production targets, the Company has also increased productivity per employee considerably. In terms of financial performance, the Profit before Tax (PBT) from continuing operations for the year 2019-20 was INR 1026.79 crores as compared to INR 800.69 crores (regrouped) for the year 2018-19 registering a growth of 28.24% over previous year.

Q. What emerging constraints (if any) are you facing towards developing state-of-art currency, coins and diversified security products in a transparent, cost-effective and efficient manner? How do you deal with the same?

A. SPMCIL has well established and globally renowned units – 4 mints, 2 currency presses, 2 security presses and 1 paper mill- which deploy latest state-of-the-art technologies and processes. SPMCIL units collectively have almost 100 years of security printing experience and over two centuries of minting experience. The units have continuously evolved and adapted to changing Marco-economic scenarios over the years. We believe in continuously upgrading our manufacturing capabilities and aligning them with prevalent industry benchmarks. At SPMCIL we ensure that increased focus is given to research and development, machinery

modernization and capacity building to sustain the wave of upcoming technology and security features in product segments.

Q. What are the key challenges faced by the company in terms of global competition, consumer behaviour and technological innovation? What steps have been taken to address these challenges?

A. 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 SPMCIL has responded pro-actively by taking initiatives to expand current digital and R&D capabilities and identify areas for developing credentials in digital product space.

We are in the business of printing money and have been observing the high growth rate with which digital payments have risen in recent years. Cash is still king in India, but there has been perpetual shift in favour of digitisation in recent years.

However, there is still a large part of our society that completely depends on cash for their daily transactions. Plus, when it comes to secure payment methods, cash is almost unbeatable. In terms of consumer behaviour, I therefore believe in the long run, given the context of Indian society, both cash and digital payments will co-exist.

Q. Elucidate your views concerning the significance of self-reliance and self-efficiency in the time of crisis like the COVID pandemic.

A. The definition of self-reliance has undergone a change in the globalized world. It no longer means being self-centred. I believe that self-reliance will prepare the country for tough competition in the global supply chain, and it is important that the country wins

this competition. More so, in times of COVID, strengthening domestic manufacturing capabilities through continuous process improvement and innovation, and reducing import dependency on critical items will help the Nation emerge stronger. At SPMCIL, we are following the core idea of self-reliance brought to fore by the 'Atmanirbhar Bharat Abhiyaan' launched by the Central Government. In fact, over last few years the organization's intent has been towards indigenous manufacturing under which we have now been producing critical items such as security inks, security papers in-house.

Q. What is your outlook on Indian economy for the next 5-10 years? Do you suggest any changes for a better India?

A. The outlook for the Indian economy prior to the outbreak of COVID-19, was looking very 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 had been improving, with favourable 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.

Although many projections indicate a slump in the global economy post the COVID-19 era, but I still foresee the Indian economy to bounce back with a sharp growth rate in coming financial years. I am confident that post covid we will emerge way stronger in the market than we ever were.

A. How is your esteemed organization responding to this Pandemic crisis? What more needs to be done to make it easier for SPMCIL to operate in the new normal?

A. SPMCIL being a fully Government-owned organization has proactively followed all guidelines issued by the Government of India to mitigate the impact of COVID from time to time. The management has ensured that the guidelines are strictly implemented across all the 9 units and that sanitization drives are conducted frequently. The production planning and procurement timelines have accordingly been re-adjusted to keep a balance between employee welfare and meeting production targets.

Furthermore, in view of promoting employee welfare, SPMCIL is providing full reimbursement to its employees for hospitalization and other related expenses incurred due to COVID.

Q. What one piece of advice would you give to the young CMA professionals?

A. Never give up! I would like all the young professionals to be resilient and strong when it comes to commitment and values. I really want our new generation to aspire for their higher spiritual awareness. In this slipping world, it can get tough to hold on to the right things. But nonetheless, everything comes with time and honesty. I want the young CMA professionals to never doubt themselves, believe in the higher power and have faith in the spiritual systems of the world. It might come late, but for sure, it will come.