

SPEECH BY THE PRESIDENT OF INDIA SHRI PRANAB MUKHERJEE AT THE PRESENTATION OF THE SCOPE MERITORIOUS AWARDS

Vigyan Bhawan, New Delhi: 5th November, 2014

I am indeed happy to be amidst you on this occasion of the presentation of the SCOPE Meritorious Awards for the year 2012-13.

2. I would like to compliment the Department of Public Enterprises (DPE) and Standing Conference of Public Enterprises (SCOPE) for organizing this event which provides recognition to the efforts being made by our CPSEs in a variety of areas such as Environmental Excellence & Sustainable Development; Corporate Governance; Corporate Social Responsibility & Responsiveness; Research and Development and Technology Development & Innovation.

3. The Central Public Sector Enterprises were set up immediately after independence to occupy the commanding heights of the economy and to channelize investment in areas which were critical to our efforts at development and self-reliance. The total investment in our 277 CPSEs stood at more than Rs. 8.5 lakh crores as on 31st March, 2013. Operational CPSEs had a turnover of approximately Rs. 19.45 lakh crores, with the aggregate net profit of profit-making CPSEs amounting to Rs. 1.43 lakh crores during 2012-13. Market capitalization of 46 listed CPSEs stood at more than Rs. 11.16 lakh crores as on 31st March, 2013. These figures clearly demonstrate the pivotal role that the CPSEs play in our economy. As envisaged at the time of their creation, they have proved to be the backbone of our developmental effort and are rightly recognized as drivers of growth in infrastructure and other critical sectors of the economy.

4. The Government has taken a number of steps to improve the functioning of CPSEs. These include empowerment of Boards of Maharatna, Navratna and Miniratna CPSEs, professionalization of Boards of CPSEs and strengthening of performance evaluation systems. These steps have contributed significantly in creating a positive and conducive policy framework for CPSEs.

5. Ladies and Gentlemen, India today stands at the cusp of a transformative phase which, I firmly believe, will successfully place us in the league of developed nations over the next two decades. In the last ten years itself, we have scripted a wonderful success story emerging as one of the leading economies of the world and the third largest economy in terms of purchasing power parity. From 2004-05 to 2013-14, our economy grew at an average rate of 7.6 per cent per year. Due to the continuing global economic slowdown and other factors, our GDP growth rate was subdued at below five per cent during the last two years. I am, however, happy to share that the green shoots of recovery are already visible. In the first

quarter of the current financial year, the Indian economy achieved a growth rate of 5.7 per cent. Various steps taken towards fiscal consolidation have shown positive results. Inflation has decelerated over the past three months and we hope to contain it below 5% through a judicious mix of policy measures. India now ranks second in the world in both wheat and rice production. A record food grains production last year helped the agriculture sector to register a growth of 4.7 per cent in 2013-14. A number of measures aimed at investment revival, strengthening macro-economic stability and ramping up infrastructure will certainly posit India back into the high growth trajectory of 7-8 per cent.

6. I must, in this context, make special mention to the Prime Minister's 'Make in India' campaign which has recently been launched by Government to transform India into a truly world-class, global manufacturing hub. I believe that our CPSEs have a vital role in making this a reality. They have, over the years, established excellent manufacturing facilities in various parts of the country. We have one of the largest markets in the world and there is no dearth of demand for competitively priced, quality products. We should aim not only at catering to our huge domestic demand but also towards high quality product development and greater access to foreign markets. This would not only create adequate employment opportunities for our youth but also raise standards of living across.

7. This expansion of operations to cater to both domestic and foreign markets can only come after making a realistic assessment of business potential and ensuring that our products conform to international standards. For this purpose, latest technology needs to be harnessed, both through suitable industry-academia linkages and by entering into strategic alliances with entities which possess these technologies. It is also imperative that attention is focused on vendor development and mandatory procurement through small and medium enterprises. This would not only develop local industry but also boost domestic manufacturing and usher in a culture of entrepreneurship in the country.

8. I would, in particular, draw your attention on the need to innovate while doing business. An ever changing and dynamic business scenario throws up newer and complex challenges which call for innovative solutions. Over the years our CPSEs have developed a certain way of doing business. In today's scenario it is critical to re-examine, re-engineer and reinvent processes in order to continuously stay ahead of market requirements and expectations. I would, accordingly, advise all of you to critically re-appraise existing systems and procedures and develop newer, more efficient ways of doing business with a view to taking full advantage of the latent potentialities that exist, both on the material and human front, in your organisations.

9. The CPSEs have actively partnered Government in implementing its social and economic policies. I am confident they will continue to take the lead in the

'Swachh Bharat' campaign and other socially oriented schemes being launched by the Government. At the same time, I may point out that CPSEs are custodians of public wealth and, as such, they necessarily need to ensure continued compliance with the best standards of corporate governance and transparency.

10. The CPSEs have, over time, contributed greatly towards fulfilling their Corporate Social Responsibility obligations. I am sure they will continue with these activities, designed for the upliftment of needy sections of our society, in the future also as mandated under the Companies Act, 2013.

11. I once again compliment SCOPE for its initiative in instituting the SCOPE Meritorious Awards with the objective of identifying and recognizing outstanding performers in various segments of business activity. I am informed that a distinguished jury has selected the award winners this year after a rigorous exercise. I congratulate all the award winners and wish them the very best in their future endeavours. I also encourage others to emulate the example set by those who have won awards today.

Thank You.

Jai Hind.
