

**Address by :
Dr A P J Abdul Kalam, Former President of India**

**during the inauguration of Symposium on "Vision for professional
India and Corporate India by the year 2020"
New Delhi 9 January
2008**

Corporate mission: Economic development with integrity

Profit with integrity leads
to Sustainable business growth

I am delighted to participate in the inauguration of Symposium which focuses on "Vision for professional India and Corporate India by the year 2020" organized by The Institute of Company Secretaries of India. My greetings to the organizers, office-bearers of Institute of Company Secretaries of India, company secretaries, industrialists, economic planners and the distinguished guests. While I am addressing this audience, I am aware that you are representing over twenty thousand qualified company secretaries rendering value added services to the corporate both in the public and private sectors.

Over the years, Institute of Company Secretaries and its members have grown and they have participated in the development of corporate discipline as well as setting standards of corporate governance. I read the document prepared by the Institute of Companies Secretaries of India on

Corporate Governance released in November 2007, particularly, I liked the statement in the book about the situation arising out of India achieving full capital account convertibility.

It is stated I quote "in a couple of years, India will have full capital account convertibility. When that happens and Indian investor who has rupees 36 to spare will seriously consider whether to put it in Indian company or to place it with a foreign mutual fund. What does all this mean for better corporate governance? Everything. The loyalty of a typical Indian investor is far greater than its counterparts in USA or Britain. But our Indian companies must not make the mistake of taking such loyalty as given. To nurture and strengthen this loyalty, our companies need to give a clear cut signal that the words "your company" have real meaning. That requires well functioning boards, greater disclosures, better management practices and a more open interactive and dynamic corporate governance environment." Such a situation will definitely lead to the availability of share holders and creditors support and improve the competitiveness of Indian companies.

The 11th plan is more focused on the agriculture and agro-food processing sectors and it is time that the company secretaries get interested in the agricultural sector particularly agro-food processing apart from their contribution in the

manufacturing and the services sector. Can the Company Secretaries formulate a model which can enable the value addition in the agri-business? Keeping in view the focus of this Symposium, I would like to talk to you on the topic "Corporate Secretary's Mission: Economic Development with integrity". In this connection let us discuss about our national challenges.

Our National mission - challenges

Our nation is going through a major challenge of uplifting of 220 million people who are below the poverty line and also to give better life for many millions who are on the border line of poverty or just above the poverty line. They need decent habitat, they need work with reasonable income, they need food, they need health care, and they need education and finally resulting into a better quality of life. Our GDP is growing at around 9% per annum.

Integrated action: We have the mission of transforming India into a developed nation. For this we have identified five areas where India has core competence, for integrated action: (a) Agriculture and food processing; (b) Education and Healthcare (c) Information and Communication Technology (d) Infrastructure for critical sectors, Reliable and Quality Electric power, Surface transport and Rural Infrastructure and (e) Self reliance in critical technologies.

These five areas are closely inter-related and will lead to food security, economic security and national security. Can the members of Institute of Company Secretaries of India provide a business model for enhancing the momentum to our economic activity and enable us to realize the GDP growth rate of 10% and maintain it consistently for ten years from the existing 9%, through good governance and competitiveness in all the five areas which I have described above, based on their experience in the over all management of company affairs and governance.

It is essential that the benefits of maximum portion of the fund allocated in government projects reach the intended beneficiaries. To realize this situation of bringing about higher yield from the projects, sanctioning authorities, can seek the help of Company Secretaries for creating a board structure for mission mode operation of the government project. It will enable easier implementation of the project through well defined delegated powers and assist the project leaders in providing robust and responsive methods of financial reporting for bringing about transparency and participation of all the stakeholders in the decision making process. **Creative Leadership**

Since, I am in the midst of company secretaries; I would like to discuss the linkage between national economic development and creative leadership.

- A nation's Economic development is powered by competitiveness.
- Competitiveness is powered by knowledge power.
- Knowledge power is powered by Technology and innovation.
- Technology and innovation is powered by resource investment.
- Resource investment is powered by return on Investment.
- Return on investment is powered by revenue.
- Revenue is powered by Volume and repeat sales.
- Volume and repeat sales is powered by customer loyalty.
- Customer loyalty is powered by Quality and value of products.
- Quality and value of products is powered by Employee Productivity and innovation.
- Employee Productivity is powered by Employee Loyalty.
- Employee Loyalty is powered by employee satisfaction.
- Employee satisfaction is powered by working environment.
- Working Environment is powered by management stewardship.
- Management stewardship is powered by Creative leadership.

For success in all the missions, it is essential to have creative leaders. Creative leadership means exercising the

vision to change the traditional role from the commander to the coach, manager to mentor, from director to delegator and from one who demands respect to one who facilitates self-respect. For a prosperous and developed India, the important thrust will be on the generation of a number of creative leaders.

Let us study, how in each of the above areas company secretaries can contribute? For example, the company secretaries will have a fair idea of the competitiveness ranking of the organization relative to different members of the industry. This knowledge should enable the professional to study the movement of competitiveness position during different years and estimate how it will affect the company performance in short, medium and long term. Such an analysis and reporting will enable the organization to take appropriate decision on acquisition of new knowledge and incorporation of new technology. This will also lay emphasis on the continuous promotion of innovative ability of the organization as a whole. In the larger national context, the company secretaries should be able to give us a means by which the global competitiveness index of India is brought within five in the next five years from the existing 48 and the global innovation index to within five from the existing 23. Such analysis could be done by the company secretaries on all the areas such as resource investment, quality of the

products, customer loyalty, employee productivity, loyalty and satisfaction and employee environment. This type of analysis will provide input to the board on an anticipatory basis for enhancing the vision for strategic planning.

Knowledge driven technology gives non-linear growth

I had an interesting study with my team. From the study I could find among the Top IT companies in India, per capita revenue per employee varies from \$32,000 to \$82,000 per annum, whereas one of our Indian automobile industries the value addition per employee is \$205,000, which is second in the world in manufacturing. But at the same time, I have studied certain IT MNC's whose business is based on Knowledge products. Their per capita employee revenue is in the order of \$200,000 to \$600,000. Per capita revenue of one of the leading search engine company is over 10 lakh dollars. Here you should see the difference. Why I am bringing this point here is, to emphasize how the unique knowledge can bring non-linear growth to the organization as well as to the nation. Higher the growth of knowledge, better the employee productivity leading to the non-linear growth of the company. Apart from striving for good governance and the best practices in the corporate, the company secretaries should help the leaders of the corporate to drive the corporate towards the generation of more knowledge based products and systems

based on company research and development. This brings out the need for companies to enter into research and development as a focused mission for non-linear growth. I hope, the Institute of Company Secretaries of India will take a lead in bringing this transformation.

Corporate Social Responsibility

Some time back, I was in Punjab, a northern state of India. There, I visited Sultanpur Lodhi and saw the marvelous development which has taken place on the river Kali Bein. I was delighted to see the rejuvenated Kali Bein, the place where the revered Sikh Guru Gurunank Devji is said to have received enlightenment. Over the years this rivulet had turned into weed choked drain. Now, river is clean due to the efforts of Baba Balbir Singh Seechewal, a priest in a Gurudwara temple and his team. Babaji had organized people's participation in stopping the massive flow of sewage into the Bein and cleaned 160 km long polluted and choked rivulet within the last five years by deploying on an average 3,000 kar sevak (volunteer pilgrims) per day. Today one can feel the flow of fresh water in this rivulet released from the Tarkina Barrage by the government. The revival of the rivulet has recharged the water table as the hand pumps that had become dry for the past 4 decades are now pumping out water. Also, I saw speed boats running on the river. The 3 kms stretch which I physically saw was a beautiful site to watch with nice bathing

ghats, tree orchards on the bank of the river and well laid out roads parallel to the river. I also saw the great happiness of giving on the faces of the volunteers who had physically participated in this task. This is one side of story.

Let us look how Kali Bein became weed choked. That was due to dumping of various types of effluents by upstream industries in the river. As company secretaries, all of you have a responsibility to the society to monitor such practices emanating from the industry where you are all working. You have to advice the top management of the industry about their social responsibility to keep the environment clean and tidy. You should also provide them advice how such environment can be created in a cost effective way, right while planning the overall waste management system. Such action will definitely make you a partner in national development. Now let me discuss another important national development task which is the creation of PURA in different parts of the country as a part of Corporate Social Responsibility.

PURA as an Enterprise

As per our estimates, bringing about prosperity to seven hundred million people living in six hundred thousand villages would need creation of 7000 PURAs (Providing Urban Amenities in Rural Areas) for the whole country. PURA

envisages integrated connectivities, they are: physical connectivity of the village clusters through quality roads and transport; electronic connectivity through tele-communication with high bandwidth fiber optic cables reaching the rural areas from urban cities and through Internet kiosks; and knowledge connectivity through education, vocational training for farmers, artisans and craftsmen and entrepreneurship programmes. These three connectives will lead to economic connectivity through starting of enterprises with the help of banks, micro credits and marketing of the products. In each of the industry which they govern can be encouraged to adopt few villages and PURA cluster as an economic enterprise can be introduced. There are some operational PURA in the country, which are Periyar PURA in Tamilnadu, Loni PURA in maharashtra, Chitrakoot PURA in Madhyapradesh, Byrraju PURA in Andrapradesh and Sakthi PURA Tamilnadu and Baktra PURA in chattisgarh. These PURA models can be studied by the Institute of Company secretaries of India and can suggest to the PURA projects for the CSR initiatives of the corporate. Now I would like to discuss the changes which are likely to emerge in our society during the next decade and a half.

Transparency in Governance through ICT

India is aspiring to become one of the economic powers. This will call for the creation of several Indian multinationals.

We have been witnessing certain acquisitions of foreign companies by Indian industrial establishments. Because of these changes, today company secretaries must specialize in international business practices.

Just like software professionals benefiting from outsourcing, it is expected that the company secretaries of India would be the advisors and the actual implementers for many leading industries and establishments in the developing and the developed world. Hence, a transparent smart e-governance with seamless access, secure and authentic flow of information crossing the inter-departmental barrier and providing a fair and unbiased service to all the stake holders is the need of the hour. For this to become a reality, a near paperless information system which hinges on electronic cash and credit card transactions, will become the part and parcel of the business and governance. Today in our computerization attempts the paper trail is still maintained for fear of mistrust and untested authentication mechanisms in the world of computers. Hence computerization has nearly become an act of impediment and we merely enter the paper transactions on the computers. This has to be changed in such a way that the transactions are born digital and automatically captured; we should spend more time on thinking rather than data entry. Now I would like to give some suggestions for the consideration of Company Secretaries assembled here.

Suggestions for the company secretaries

The Company Secretaries have been contributing to the growth and the maturity of manufacturing and the services sector of the nation during the last fifty five years. Now Company Secretaries with their corporate experience should pay attention to the agriculture and rural development sector also. For enabling the above I have the following suggestions for the company secretaries.

- a. Establishing the PURA enterprise in the region of the corporate presence. It is a business proposition for the corporate.
- b. Participating in the transformation of his or her company through the promotion of good governance with ethical value systems and adopting best practices.
- c. Facilitating the evolution and realization of vision of the company.
- d. Development and implementation of e-Governance for the corporate to enable smart governance leading to the growth of the organization with transparency.

Conclusion: Distinctive Profile of India by 2020

In conclusion, let me now give my visualization of competitive profile of India in the year 2020 so that you can

map the vision for the professional India and corporate India towards the realization of national development goals.

- 1.A Nation where the rural and urban divide has reduced to a thin line.
2. A Nation where there is an equitable distribution and adequate access to energy and quality water.
3. A Nation where agriculture, industry and service sector work together in symphony.
4. A Nation where education with value system is not denied to any meritorious candidates because of societal or economic discrimination.
5. A Nation, which is the best destination for the most talented scholars, scientists, and investors.
6. A Nation where the best of health care is available to all.
7. A Nation where the governance is responsive, transparent and corruption free.
8. A Nation where poverty has been totally eradicated, illiteracy removed and crimes against women and children are absent and none in the society feels alienated.
9. A Nation that is prosperous, healthy, secure, devoid of terrorism, peaceful and happy and continues with a sustainable growth path.

10. A Nation that is one of the best places to live in and is proud of its leadership.

The Company Secretaries assembled here can definitely assist the corporate in realizing the competitive profile, I have mentioned in serial numbers one, two, three and seven above. I would request you to analyze these competitive profiles in particular and chart the corporate vision in relation to India vision 2020. Since the 11th plan is targeting to have a GDP growth of over 10% per annum, there is a need for the entire industrial and business establishment being serviced by the company secretaries to increase their present rate of growth and sustain it for at least a decade.

With these words, I inaugurate the Symposium on Vision India 2020. My best wishes to the entire company secretary community success in their mission of promoting the culture of transparent corporate governance with committed social responsibility for all the three sectors of the economy. May God bless you.