

**No. 1/1/2014-Stats
Government of India
Ministry of Corporate Affairs
(Statistics Division)**

Date: July 25, 2014

MEMORANDUM FOR STANDING FINANCE COMMITTEE

Subject : Central Sector Plan Scheme “Corporate Data Management”

1. Proposal identification

1.1 Title of the proposal.

Central Sector Plan Scheme “Corporate Data Management”

1.2 Name of the sponsoring agency (Ministry/ Department/ Autonomous Body/ Central PSE).

Ministry of Corporate Affairs (MCA), Government of India

1.3 Proposed duration of the proposal/Scheme.

2014-15 to 2016-17 (First Phase) and beyond

1.4 Total cost of the proposal over the proposed duration.

Rs. 33.94 Crore to be spent over 3 year period (2014-2017)

1.5 Nature of scheme: Central Sector/ Centrally Sponsored/Additional Central Assistance

Central Sector Plan Scheme

2. Proposal Category

2.1 Please indicate which category the proposal belongs to:

New Plan Proposal not included in the current Plan period.

2.2.-2.2(b): Not Applicable

2.3 please indicate whether in-principle approval of Planning Commission has been obtained.

As per the extant procedure, In-Principle Approval of the Planning Commission as well as final approval of SFC Memorandum is being sought through this SFC Memorandum.

2.4. : Not Applicable

3. Justification for the Proposal

3.1 The justification for taking up new/ continuing the ongoing proposal may be provided in terms of:

i) **Demand and supply analysis to identify gaps.**

BACKGROUND

Ministry of Corporate Affairs has been implementing an e-governance project, “MCA21” since 2006. It has fully automated the process of working and administration of the Companies Act. Companies are mandated to file all documents relating to incorporation, compliance, approvals, annual statutory returns, etc. electronically in the system. The process of filings has resulted in the accumulation of a plethora of information and MCA21 is now the electronic repository about Indian corporate sector. As on 31.03.2014, the system stored information about 13.94 lakh companies registered under the Companies Act.

However, the utilization of the electronic information available in MCA repository is very limited. Only few Government organizations access some customized corporate sector data in response to their specific requests on ad-hoc/ felt-need basis from time to time. Clearly, therefore, this wealth of information is woefully underutilized.

At present the Ministry is sharing corporate data in terms of number of companies' registered/closed/active/dormant, etc. along with their paid-up capital and authorized capital in its Annual Reports and Monthly Information Bulletins. Unit level information on financial aggregates and non-financial information relating to Indian corporates are not available in the public domain. The level of dissemination to other stakeholders such as credit rating agencies, business analyst, research organizations, etc. is very limited.

Technically speaking, general public has access to company level information on MCA Portal under a View Public Document or VPD, which allows inspection of company specific public documents on payment of prescribed fees. This facility has its limitations; it is not possible to analyse data holistically through this mode as downloading data company by company is impractical and cumbersome. An added disadvantage is that information in VPD is not machine-readable which makes analysis a very cumbersome exercise.

NEED FOR PROPOSED SCHEME: DEMAND SUPPLY GAP

The Ministry has been receiving requests from government and non-government agencies, research institutes, individual researchers etc. for updated, authentic company level information in the complete enumeration frame. To effectively meet this demand it is necessary that raw data undergoes processes like data cleaning, data pre-processing, data mining and data analytics.

Data cleaning is the critical process of detecting, correcting/ removing inaccurate information from the database. Data cleaning would involve activities such as identification of correct economic activity, rectification

of misreported company finance data, and estimating/collecting missing data for each company.

Apart from accessing information readily available in the system, there is a need to seek supplementary information from companies as and when needed for policy analysis and regulation, etc. Matters like employment details, export/import revenue, external finance transactions, quarterly performance of companies, are some of the instances where different agencies sought such information for which enabling provision exists in section 405 of the Companies Act, 2013. This would, however, require additional arrangements in terms of institutional set up and expertise.

Extensive stakeholder consultations in the form of seminars, workshops, conferences, brain-storming, research studies and surveys would be required to develop company level data format as well as to strengthen the process of data mining & data analysis.

JUSTIFICATION FOR THE PLAN SCHEME

Collection of Statistics relating to Companies is one of the functions exclusively assigned to the Ministry of Corporate Affairs. The National Data Sharing and Accessibility Policy–2012 (NDSAP-2012) implemented by Department of Electronics and Information Technology (DEITY) requires Ministries/Departments to disseminate government owned shareable data and information in a proactive and periodically updatable manner. This Policy applies to all data created, generated, collected and achieved using public funds provided by the Government of India.

The measures outlined above require arrangements which can be made within the Project mode. The Project would entail conversion of statutory information into statistical information for data analysis. Given the

importance of such statistical information for planning, research, economic analysis and other such important purposes, it is imperative that this Project is established as a Forward Linkage of MCA21.

It is proposed to implement the project on a pilot basis covering only Listed public limited companies (about 7000 in number) during the remaining 3 years of the 12th Plan (pilot phase). An extended Plan Scheme could be considered for the next Plan Period to cover a larger canvas if the present pilot yields gratifying results.

This being a pilot endeavour, definite outcomes will emerge after an evaluation. It is however clear that the successful implementation of the pilot itself will prove very useful in formulating suitable policies for corporates' contribution to economic growth apart from enabling scholars and stakeholders to develop insights in the working of major corporates for better accountability and transparency.

ii) Conformity with the Plan Priorities and National objectives

Making businesses more responsible is one of the plan priorities. Transparency in corporate functioning, which can be ensured through appropriate disclosures by the corporates, is one necessary condition for making business responsible. The proposed Plan Scheme is likely to aid in bringing more objectivity and transparency in reporting by the corporates.

Dissemination of data as proposed under this scheme would help developing tools for Regulatory Impact Analysis, as suggested by the Planning Commission (*See Paragraph 13.109, Pages 75-76, Volume II, 12th Plan Document*). Further, analyses of data disseminated under this scheme would also serve as inputs for policy determination.

iii) Problems to be addressed at local/regional/national levels, as the case may be, through scheme/project.

The objective of the proposed plan scheme is to effect wider dissemination of the hitherto under-utilized corporate sector data available with the Ministry for evidence based decision making and better corporate governance.

3.2 The alternatives that have been considered before firming up the design of the proposal may be stated. (This should also include alternate modes of proposal delivery, e.g. outsourcing, PPP, etc. that have been considered).

The Ministry of Corporate Affairs is the sole repository of company-level data/ information in respect of each and every company registered under the Companies Act, 1956 and Limited Liability Partnerships under the Limited Liability Partnership Act, 2008. The data includes confidential as well as shareable information; and therefore, it is felt appropriate to operate the proposed scheme within the Ministry.

However, for developing IT tools in the context of data mining techniques, the Ministry would enlist services of IT firms/ consultants/ outsourced personnel.

3.3 Please state whether the proposal has objectives and coverage which overlap with projects/ schemes being implemented by the same or another agency (Ministry/ Department/ State government). In cases of overlap, please state why the proposal needs to be considered as a separate stand alone effort.

No other Ministry/ Department of the Government of India has similar objectives or mandate, nor do they have access to such company-level information. In fact, corporate sector data available with the Ministry of Corporate Affairs has largely remained unexploited hitherto. The proposed scheme seeks to fill this vacuum.

4. Proposal Objectives and targets

4.1 The objectives of the proposal may be mentioned. These objectives should flow from the proposal justification.

The scheme (pilot) has four specific objectives:

- (A) Disseminate shareable information, after cleaning of data, in processed/ tabular forms, for use by stakeholders (public access).
- (B) Sharing of privileged information, after cleaning of data, in customised forms, for use by the Ministry and other regulatory bodies for regulatory purposes (privileged access).
- (C) Encourage public discourse on various aspects of corporate growth, corporate governance, etc. that would enrich evidence-based decision-making.
- (D) Enhance and institutionalize Ministry's in-house capabilities for corporate Data Mining and Information Management so as to serve as the most authentic and updated 'knowledge-hub' for Indian corporate sector official data.

These are sought to be achieved by :

- (i) Development of software/ IT tools for data cleaning, data mining and data analysis;
- (ii) Establishing and developing institutional capacity for data cleaning, data mining and data dissemination (called Data Mining Resource Facility); and
- (iii) Encouraging research/ studies/ seminars/ workshops/ conferences etc. on various aspects relating to growth of the corporate sector.

4.2 The specific targets proposed to be achieved of the proposal may be mentioned. These targets should be necessarily measurable. These should also be monitorable, against baseline data. The baseline may be indicated. The targets should be in tabular form as shown below.

It is proposed to implement the project on a pilot basis covering only Listed public companies (about 7000 in number) during 2014-17 (i.e., remaining 3 years of the 12th Plan) as a pilot phase. It would initially cover all Listed companies for developing company level data format. Depending upon available resources, data cleaning & data mining may be extended to cover all public limited companies in the pilot stage.

It may be mentioned that the present status of data quality & data sharing has been documented in the Reports by (i) the Committee for Formulation of Data Dissemination Policy of the Ministry of Corporate Affairs (July, 2013) and (ii) SFIO Data Mining Project (January 2014).

Monitorable Physical Targets for the Plan Scheme			
Component	Year 1 : 2014-15	Year 2 : 2015-16	Year 3 : 2016-17
(1)	(2)	(3)	(4)
Development of software/ IT tools for data cleaning, data mining and data analysis	(i) Finalisation of Request for Proposals for Hiring IT firm. (ii) Preparation of Bid documents and Issue of Tenders.	(i) Consideration of Bids and award of contract. Selection of system integrator/ service providers for development of computing facility. (ii) Develop software for data cleaning. (iii) Determine parameters for recognizing patterns through data mining and write programs. (iv) Commence data mining on transferred MCA21 data. (v) Develop software for data analysis and generation of public access reports according to pre-determined tabulation plan.	(i) Fine-tune the programs, exception handling and standardize the routines. (ii) Internalize the skills into MCA officials working on project. (iii) Synchronize with other corporate data sources (SEBI, RBI, CBEC, CBDT, DGCIS etc.)
Establishing and developing institutional capacity for data cleaning, data mining and data dissemination	(i) Hiring of skilled human resources/ TSG (recruitment/ outsourcing). (ii) Training to MCA officials to access and deal with database. (iii) Online Dissemination of statistical (company level, non-financial) reports to stakeholders.	(i) Data cleaning and data extraction, transformation and loading (ETL) from MCA21 Databases. (ii) Designing systems to resolve data quality issues. (iii) Initiate activities and finalize format for Company level data (Unit-level data).	(i) In-house Capacity building for Data Mining and Analysis to gain a shape. (ii) Release of unit level data on companies finance statistics to general public. (iii) Prepare and publish Analytical reports on companies' finance.

Monitorable Physical Targets for the Plan Scheme			
Component	Year 1 : 2014-15	Year 2 : 2015-16	Year 3 : 2016-17
(1)	(2)	(3)	(4)
		(iv) Disseminate Public access non-finance data about Listed Public Companies.	(iv) Developing platform for online collection of additional corporate sector data for providing policy inputs. (v) Generation of need-based sophisticated regulatory reports.
Encouraging research/ studies on various aspects relating to growth of the corporate sector	(i) Constitution of Technical Committee. (ii) Preparation and finalisation of forms etc. for empanelment of Institutions for grant-in-aid for research, seminars etc. (iii) Sponsoring of research studies, surveys, etc. on corporate sector.	(i) Sponsoring of research studies, surveys, etc. on corporate sector. (ii) Organising Seminars on contemporary themes of relevance concerning corporate sector.	(i) Sponsoring of research studies, surveys, etc. on corporate sector. (ii) Organising Seminars on contemporary themes of relevance concerning corporate sector.

Note : Activities on each component would be taken forward to the next level in each subsequent year.

4.3 The outcomes of the proposal to be achieved should be indicated. These outcomes should be in the form of measurable indicators which can evaluate the proposal on quarterly/half yearly/annual/plan basis.

DEVELOPMENT OUTCOMES

At present, no institutional mechanism exists for providing authentic and updated statistical framework on India's corporate sector. The proposed Scheme seeks to address these issues by resolving data quality issue and establishing and institutionalizing Ministry's in-house capabilities for corporate Data Mining and Information Management.

Further, Data Mining and Information Management would inevitably and implicitly reinforce monitoring of compliance by companies at no additional cost. Some of the expected and monitorable Outcomes are indicated below:

- (i) Resolution of data quality issues (such as incorrect activity codes, incomplete/incorrect financial information, etc.), in respect of all active Listed Public companies (about 7,000 in number) in the pilot phase (2014-17).
- (ii) Publication of company level information, by developing a standardised mechanism for effective and error-free data collection, validation and tabulation.
- (iii) Establishing an authentic and updated statistical framework on corporate sector that will eventually provide the population frame for different large scale surveys.
- (iv) Enable extraction of corporate sector data by the public, based on a set of pre-defined parameters and multiple options, by

improving features and functionalities of the MCA Data Dissemination Portal.

(v) Establishing and nurturing a research ecosystem on issues relating to corporate growth such as corporate governance, investor protection, financial inclusion, financial reporting, etc. The guidelines for funding research and studies, workshops and conferences etc. under this scheme are at **Annexure-I**.

OUTPUT

(a) Dissemination of corporate finance statistics at defined level of aggregation.

(b) Publication of Summary report on corporate sector performance based upon companies finance information.

(c) Periodic release of unit level data on company finance statistics in a complete enumeration format for listed companies.

(d) Conduct of workshops, seminars, conferences, etc. on corporate governance, corporates' contribution to economic growth, financial data analytics, data mining, financial inclusion, etc. in collaboration with suitable institutions and agencies.

(e) Development of supplementary database on Indian companies containing information not captured in MCA21 system.

(f) Strengthening and nurturing the authentic database for empirical research and analysis on corporate sector performance.

(g) Creating a pool of trained resource persons for data mining, data analytics, XBRL, etc.

MONITORABILITY

An Inter-Ministerial Advisory Group is proposed to be set up to monitor the progress in implementation of the project. The Advisory Group will have the following composition:

Additional Secretary, MCA	Chairperson
Adviser, Planning Commission	Member
Joint Secretary & Financial Adviser, MCA	Member
Joint Secretary (e-Governance), MCA	Member
Economic Adviser, MCA	Member
Representatives of DIPP and M/o Statistics & Programme Implementation	Members
Representative of Reserve Bank of India	Member
Two Non-official experts	Members
Director (Statistics), MCA	Member-Secretary

Monitoring: Provision for Concurrent Monitoring And Evaluation is envisaged. Monitoring would be done on a quarterly basis by a team headed by Director (Statistics), MCA and comprising IT experts and domain experts. Evaluation is contemplated to be carried out by an independent agency.

4.4 Briefly explain the objectives of the other programmes/projects undertaken by Ministry/Dept which are in convergence with the objectives of proposed proposal.

Not Applicable.

4.5 Please indicate whether the proposal is for current Plan only or will continue in next Plan also.

Based upon the progress in the pilot phase (2014-17), for which this SFC note is being moved, it is contemplated to continue the Plan Scheme in the next Plan Period (13th Five Year Plan) to cover

all companies' data and data from Limited Liability Partnerships (LLPs) in future.

5. Gender Analysis of the Proposal

5.1 & 5.2 : Not Applicable.

6. Proposal design

6.1 Briefly explain the proposal Design. This should include all components of the proposal including:

i. Scope of the project

The purpose of the Plan Scheme is to ensure wider dissemination of corporate sector data to public in a proactive manner, after processing and converting the raw data into user-friendly formats that are amenable for further analysis. The present proposal is envisaged to be implemented during 2014-17. It is proposed to cover all Listed Public companies for developing unit level data format during this phase. All Listed companies (about 7000 in number) would be covered for data cleaning and data mining in the pilot stage.

It is proposed to encourage/sponsor research/ studies/ seminars/ workshops/ conferences etc. on various aspects relating to growth of the corporate sector.

It is contemplated to cover all companies' (about 9 lakh working companies) data and data from LLPs in the next Five Year Plan.

ii. Assumptions used

It is assumed that the Statutory information available in MCA21 database shall be available to the Data Mining Resource Facility for improvement and value addition by way of data cleaning,

processing, etc. to make it amenable to further dissemination, studies and analysis for usage by stakeholders.

iii. Technology

The proposed Data Mining Resource Facility (DMRF) is essentially a “Data Warehousing” system. The fundamental difference between Transactional systems (such as MCA21 system) and Data Warehousing systems is that Transactional systems are designed to support transaction processing whereas Data Warehousing systems are designed to support analytical processing. Based on this fundamental difference, data usage patterns associated with Transactional systems are significantly different than usage patterns associated with Data Warehousing systems. As a result, Data Warehousing systems are designed and optimized using methodologies that drastically differ from that of Transactional systems.

iv. Size/ Specifications/ Layout Plan

Software systems for Extract, Transform and Load (ETL) would be created to achieve the above objective and ensure smooth transfer of data. The IT interventions would involve Data cleaning, data mining and data processing, using software/ programs. It is proposed to select a suitable IT firm for this purpose. It is proposed to engage relevant domain-experts as a part of Technical Support Group for institutionalization, in-house capacity building and day-to-day technical support for the proposed Plan Scheme of Corporate Data Management.

v. Plant & Machinery

Computers hardware, software, servers and other peripherals would be procured as appropriate.

vi. Others (Please specify)

The proposed scheme contemplates continuous inter-ministerial deliberations throughout the implementation of the project through the mechanism of the Advisory Group.

6.2 to 6.8. : Not applicable.

7. Proposal cost

7.1 Please provide the proposal cost estimate for its scheduled duration along with a break-up of year-wise, component-wise expenses segregated into non-recurring and recurring expenses.

The total cost of scheme is tentatively estimated to be Rs. 33.94 Crore as detailed in the table below.

Broad Expenditure Heads during Plan Period (3 Years)				
(in Rs. Lakhs)				
<i>Components</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2016-17</i>	Total in Plan Period
Data Mining Resource Facility (A)	100.0	914.0	914.0	1928.0
Technical Support Group (B)	19.7	239.4	239.4	498.5
Research Studies, Publication, Conferences, etc. (C)	25.0	200.0	200.0	425.0
Training & Capacity Building (D)	10.0	45.0	45.0	100.0
Miscellaneous (E)	23.2	210.5	209.0	442.7
Total (A+B+C+D+E)	177.9	1608.9	1607.4	3394.2
Total Expenditure during Plan Period (3 years): Rs. 33.94 Crore				

Broad Expenditure Heads during Plan Period (3 Years)				
(in Rs. Lakhs)				
<i>Components</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2016-17</i>	<i>Total (in Plan Period)</i>
Data Mining Resource Facility (A)				
Non-Recurring	100.0	914.0	914.0	1928.0
Recurring	0.0	0.0	0.0	0.0
Sub-total (A)	100.0	914.0	914.0	1928.0
Technical Support Group (B)				
Non-Recurring	19.7	239.4	239.4	498.5
Recurring	0.0	0.0	0.0	0.0
Sub-total (B)	19.7	239.4	239.4	498.5
Research Studies, Publications, Conferences, etc. (C)				
Non-Recurring	25.0	200.0	200.0	425.0
Recurring	0.0	0.0	0.0	0.0
Sub-total (C)	25.0	200.0	200.0	425.0
Training & Capacity Building (D)				
Non-Recurring	0.0	0.0	0.0	0.0
Recurring	10.0	45.0	45.0	100.0
Sub-total (D)	10.0	45.0	45.0	100.0
Miscellaneous (E)				
Non-Recurring	23.2	210.5	209.0	442.7
Recurring	0.0	0.0	0.0	0.0
Sub-total (E)	23.2	210.5	209.0	442.7
Total (A+B+C+D+E)				
Non-Recurring	167.9	1563.9	1562.4	3294.2
Recurring	10.0	45.0	45.0	100.0
Grand Total	177.9	1608.9	1607.4	3394.2
Total Expenditure during Plan Period (3 years): Rs. 33.94 Crore				

7.2 In case the land is to be acquired, the details of cost of land and cost of rehabilitation/resettlement may be provided.

Not Applicable.

7.3 Estimated expenditure on proposal administration (including expenses on consultants, monitoring, evaluation, IEC, etc.) may be separately indicated.

Monitoring would be a continuous process and evaluation would be undertaken by a third-party on an independent consultancy basis at the appropriate time. It is proposed to keep 1% of the total project cost for this purpose (approximately Rs. 34 lakhs) tentatively for the purpose.

7.4 The basis of these cost estimates along with the reference dates (it should not be more than six months old) for normative costing may be provided. Please indicate the firmness of the estimates, component wise, with the extent (+ / -) of the expected variation.

The total cost of scheme is tentatively estimated to be Rs. 33.94 Crore, to be spent over the remaining three years of the 12th Five Year Plan (2014-15 to 2016-17).

The major cost components are :

- (i) Creation of Information Technology tools, for data cleaning, data mining and data processing in the Data Mining Resource Facility;
- (ii) Engaging suitable domain-experts as Technical Support Group to institutionalize and build in-house capacity; and
- (iii) Funding research studies, sponsoring seminars and workshop.

For hardware, software and human resources that may be required, costs would vary on actual basis (at the time of acquiring). The cost estimates for hiring an IT firm as well as skilled domain-experts in the Technical Support Group have been worked out in the light of past experience of working with MCA21 e-governance project and information gathered from informed sources such as National Informatics Centre (NIC), National Institute for Smart Governance (NISG), etc.

7.5-7.7.: Not Applicable.

7.8 The cost towards salary/ fees/ emoluments of the human resources as being proposed should be indicated (procedure for seeking approval for human resource requirements is detailed at para-9 below).

Keeping in view the present Government Policies as to the creation of new establishment, it is proposed to engage suitable domain-experts as a part of Technical Support Group (TSG) and demonstrate the usefulness and potential of the Project in Pilot Phase. Such engagement will be contractual/ outsourced basis in accordance with the General Financial Rules. It is also proposed to deploy officers of the Indian Statistical Service and Indian Economic Service as well as Senior Technical Assistants/ Junior Technical Assistants already in the sanctioned strength of the Ministry by filling up existing vacancies in the Ministry for the Project.

Minimal regular manpower requirements will be addressed after evaluation of the 'pilot' and based on the decision about expansion of the project in the next plan.

7.9-7.10.: Not Applicable.

8. Proposal: Financing

8.1 The source of financing for the proposal may be indicated. In case of proposal already included in the FYP, the specific earmarking may be mentioned.

The scheme is proposed to be funded through Gross Budgetary Support (GBS) for Plan of the Central Government. The amount of GBS required would be of the following order:

(in Rs. Lakh)

2014-15	2015-16	2016-17	Total
177.8	1613.9	1602.4	3394.2

8.2 Whether the funding requirements have been fully tied up with Planning Commission may be indicated. The quantum of the Plan allocation may be indicated.

This is a new plan proposal not included in the 12th Five Year Plan. The Plan outlay for the 12th Five Year Plan for the Ministry of Corporate Affairs, as approved, is given below:

Sl. No.	Name of scheme (for 2012-2017)	Total (in Rs. Crore)
1.	Indian Institute of Corporate Affairs	110.00
2.	Improving the Functioning of Official Liquidators and Application of e-governance	123.58
	Total	233.58

The scheme “Improving the Functioning of Official Liquidators and Application of e-governance” has since been withdrawn by the Ministry. Planning Commission has agreed to the same. A portion of the Plan Fund available on this account are sought to be utilized for the proposed Plan Scheme of “Corporate Data Management” with a project cost of Rs. 33.94 Crore. As such, the pilot does not entail any additional overall allocation for this Ministry.

8.3-8.4 Pertaining to gap in financing the proposal and sponsoring by external sources:

Not Applicable.

8.5 In case of partial allocation of funds for the proposal, then the components which may be removed/reduced may be indicated.

The scheme is proposed to be fully funded under the GBS for Plan.

8.6 Please provide the following details in respect of project proposal:

- **Debt-equity ratio along with justification.**
- **In case of, funding from internal resources (IR), availability of IR may be supported by projections and their deployment on various projects.**
- **Please indicate funding tie-ups for loans components both domestic and foreign, along-with terms and conditions of loan based on consent/ comfort letters.**

Not Applicable.

9. Proposal: Human Resources

9.1 In case posts (permanent or temporary) are intended to be created, a separate proposal may be sent on file to Personnel Division of Department of Expenditure. Such proposals may be sent only after the main proposal is recommended by the appropriate appraisal body (SFC, EFC, etc.).

Not Applicable.

9.2 In case outsourcing of services or hiring of consultants is intended, brief details of the same may be indicated. It may also be certified that the relevant GFR provisions will be followed while engaging the agency/ consultant.

Yes, it is proposed to engage domain-experts as a part of Technical Support Group (TSG) on contractual basis. The TSG would comprise consultants and Young Professionals drawn from Economics, Statistics, Management and Commerce backgrounds. Further details are provided in Paragraph 11.2 below, dealing with the administrative structure. Relevant provisions of the General Financial Rules shall be complied with while engaging these experts.

9.3 In case additional manpower requirement, please indicate the phased requirement over the proposal timeline (i.e. year-wise break-up of the manpower requirement)

Not Applicable.

10. Proposal viability

10.1 In case of proposals which have identified stream of financial returns, the financial internal rate of return may be calculated. The hurdle rate is considered at 12%.

10.2 In case of proposals where financial returns are not readily quantifiable (typically social development proposals), the measurable benefits/ outcomes may be indicated.

10.1 – 10.2.

The objective of the scheme is to provide large data sets on Indian corporates available with the Ministry to various stakeholders and public at large. Dissemination of company level data comprising both financial and non-financial parameters, and analysis thereof would enable evidence based policy formulation, strengthen decision making process, encourage high quality empirical research on various aspects of corporate growth and corporate governance and thereby contributing towards promoting inclusive growth.

Further, the thrust is on developing institutional capability for Data Mining & Dissemination on corporate sector for providing information to stakeholders on a sustained basis. Hence, the proposed scheme has been essentially considered as an investment to aid government and other stakeholders for facilitating corporate growth. Therefore, no IRR (financial or economic) has been calculated as the proposed scheme is not visualized as a commercial venture by this Ministry.

Based upon discussion with various experts, it is understood that the revenue generating potential of the Project is very high. But it is proposed to stabilize the Project in the Pilot phase without actually realizing the revenue potential during the 12th Plan Period. The revenue generating potential shall be dovetailed when the Project would be considered for extension in the 13th Plan Period.

It may be appropriate to submit that the total revenue collected by the Ministry from various stakeholders through e-filing is estimated at around Rs. 1500 Crore annually, as Non-Tax Revenue. MCA is thus a revenue generating Ministry. The present proposal envisages an annual plan expenditure of less than Rs. 20 Crore that is required to add value to the already available information so as to ensure its optimal utilization by the public at large.

11. Proposal implementation and monitoring

11.1 Implementing agency (s) may be indicated.

The proposed scheme would be implemented by and under the supervision and direction of the Ministry of Corporate Affairs.

11.2 The administrative structure for implementing the proposal may be stated. Usually new structures/ entities, etc. Are, by and large, to be avoided. In case new structures are intended to be created for administering the scheme, the details of such structures and specific justification for the same may be provided. Such new structure should be proposed only if it is has been established after due analysis, that existing structures cannot be levered for the proposed/additional work.

No new structures are being proposed. Teams and facilities to implement the project will be either manned by existing personnel

in the Ministry or by utilising expertise engaged on contractual/outsourced basis as explained in Paragraph 7.8.

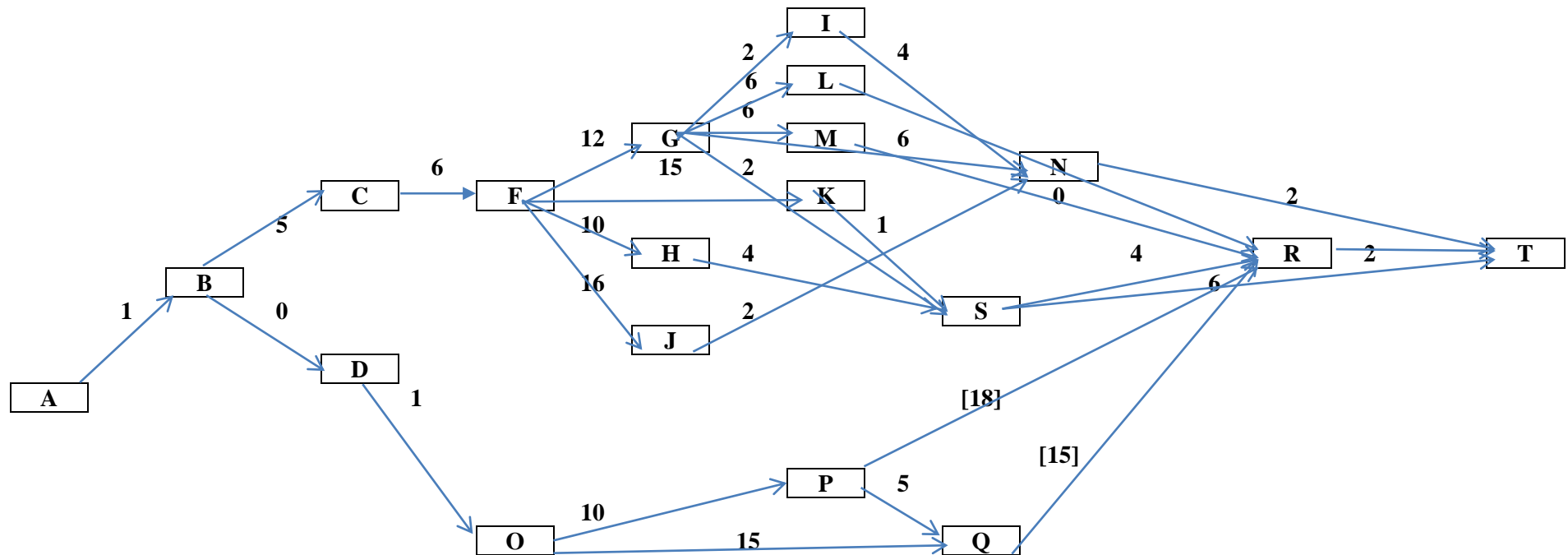
Certain internal groups will be constituted as under :

Roles	Participants	Responsibility
Advisory Group	Additional Secretary and Joint Secretary level officers of Government of India and non-government experts	Provide Apex level guidance for the actual implementation of the scheme and further improvements.
Executive Team*	Economic Adviser, Director (R&A), Director (Statistics), Director (e-Governance), and Deputy Director (Statistics).	Approve roadmap, Secure funding, Prioritize Projects on macro-economic policy, policies and regulation, Overall Governance, and techno-legal framework.
Cross Functional Team	Essentially regular manpower for in-house and sustainable capacity development for data mining and dissemination so as to establish MCA as corporate sector 'knowledge-hub'.	Cross organizational group, Evangelize Analytics, Coordinate super users and depts., Define best practices, Define and document metrics, Gather Requirements, and management skills, Exploring the data and discovering patterns, meaningful relationships, anomalies and trends, Capacity Building for MCA data management
Domain Team (s)	Technical Support Group [Experts from Statistical/ Economic/ Commerce background with sufficient Information Technology exposure].	Responsible for One-time correction & subsequent improvements in quality of information filed in MCA21 System. They will also assist with Data Analysis for Increasing compliance of companies and improving data quality on annual statutory filings to MCA.
Technical Team (IT Firm)	The Technical Team (IT Firm) will engage Data Management Team as well as Interface Developers for Data Mining Resource Facility.	The Technical Team (IT Firm) will Build and maintain EDW, Build semantic layer for BI tool, Create complex reports and dashboards, Data governance, architecture, Develop model management platform, coordinate databases and servers w/ IT, Data mining related activities, Data dissemination related activities.

* Already in the sanctioned strength of the Ministry.

11.3 The completion schedule of the proposal indicating timelines of activities should be provided in PERT/Bar Chart along with critical milestones.

INDICATIVE PERT CHART WITH EXPECTED TIME (IN MONTHS)



[*] indicates continuous process, and not definite time-limits.

NOTES FOR THE INDICATIVE PERT CHART

Node	Activity
A.	Approval of the SFC Memorandum.
B.	Constitution of Advisory Group.
C.	Engaging a Consultant for assisting Statistics Division in selection of IT Firm and Agency for providing Domain Experts for Technical Support Group as per provisions under GFR.
D.	Constitution of Technical Committee for Research Studies, etc.
F.	Finalisation of Request for Proposals for hiring Agencies for (i) development of computing facility and (ii) providing skilled human resources for the Data Mining Resource Facility, Preparation of Bid documents, Selection of Agencies and award of contract, etc.
G.	Develop software for data cleaning, Designing systems to resolve data quality issues, Data cleaning and data extraction, transformation and loading (ETL) from MCA21 Databases, Develop software for data analysis, Initiate activities and finalize format for Company level data (Unit-level data).
H.	Determine parameters for recognizing patterns through data mining and write programs, Commence data mining on transferred MCA21 data, Stabilizing the Data Mining Methodologies.
I.	Synchronize with other corporate data sources (SEBI, RBI, CBEC, CBDT, etc.)
J.	Developing platform for online collection of additional corporate sector data for providing policy inputs.
K.	Generation of public access reports according to pre-determined tabulation plan. Disseminate Public access non-finance data about Public Limited Companies. Online Dissemination of user-defined reports to stakeholders.
L.	Release of unit level data on companies finance statistics to general public.
M.	Generation of need-based sophisticated regulatory reports.
N.	Conceptualization for designing the Intelligence Grid for regulation and enforcement, consultation with other regulators for data usage rights & authorization, etc.
O.	Preparation and finalisation of forms etc. for empanelment of Institutions for grant-in-aid for research, seminars etc.
P.	Sponsoring of research studies, surveys, workshops, conferences, seminars, etc. on corporate sector.
Q.	Organising Seminars on contemporary themes of relevance concerning corporate sector.
R.	Preparation and Publication of analytical reports on companies' finance.
S.	Training to MCA officials to access and deal with database.
T.	In-house Capacity building for Data Mining and Analysis to gain a shape.

11.4 Mode of implementation: Departmental/ Contract/ Turnkey contract/ EPC/ PPP, etc. with justification may be given.

It is a Departmental Pilot Project. However, as the Department is currently not having required technical know-how and internal skilled resources, it is proposed that the Project will draw on expert manpower on outsourced services basis.

11.5 Nodal officer identified / appointed for being directly in charge and overseeing progress of the proposal may be indicated. Details about his status, past experience in executing similar proposals and balance tenure left for steering the proposal may also be mentioned. He/ She should normally be appointed for entire duration of the proposal.

Director (Statistics), Ministry of Corporate Affairs will be the Nodal officer. The Director (Statistics) is a Non-Functional Selection Grade officer of Indian Statistical Service and the present incumbent has more than two decades left for his superannuation from government service. Since he is occupying a cadre post, his continuity at this level in the Ministry can be assured.

Director (R&A Division), Ministry of Corporate Affairs will be responsible for the component of funding sponsored Research Studies etc.

Both the Directors would be working under the supervision of the Economic Adviser of the Ministry and they would be supported by a team of officers from Indian Statistical Service and Indian Economic Service.

11.6 The monitoring framework preferably on MIS for the proposal may be indicated. The arrangements for audit/social audit of the proposal may also be stated.

The Inter-Ministerial Advisory Group, proposed to be set up under chairmanship of Additional Secretary, and having representation from various Ministries, shall provide apex level guidance and monitoring for efficient implementation of the Project. An Executive Team is responsible for monitoring on a continuous basis with technical & domain related support from the Technical Support Group.

12. Proposal sensitivities/uncertainties

12.1 Any foreseeable constraints/ uncertainties which can affect the technical design, costing and implementation of the proposal may be indicated.

12.2 The likely impact of these constraints/uncertainties on the proposal parameters may be stated. In particular, the sensitivity of the proposal cost, proposal schedule and proposal viability towards the possible constraints/ uncertainties may be mentioned.

12.1-12.2 No constraint is foreseen at this stage.

13. Mandatory approvals / clearances:

The details regarding the requirement of mandatory approvals / clearances of various local, state and national bodies and their availability may be indicated in a tabular form :

S. No.	Approvals / Clearances	Agency concerned	Availability (Y/N)

The proposal does not require any other clearance from other Central, State or Local bodies.

14. Consultations with the Public, State Governments, External Research Agencies, Think Tanks, etc.

14.1 To the extent possible and practicable, such consultations may be done by the Administrative Ministries. The draft Proposals may

be placed on the web site of the sponsoring Ministries and comments invited from the general public. The draft proposals may be formulated / finalized taking into account such comments. Details in this regard may be indicated in the EFC /PIB memo.

This SFC Memorandum was circulated to Planning Commission, Department of Expenditure, M/o Statistics & Programme Implementation, DIPP and the Reserve Bank of India.

The comments received from these organisations have been suitably incorporated in the proposal. However, comments received and brief response thereto are given in **Annexure —II**.

[To be incorporated as and when comments are received after circulation.]

15. Concurrence of Financial Advisor

15.1 Comments/Concurrence of Financial Advisor may be indicated along with reply of the Administrative Ministry.

The comments/ Concurrence of Financial Advisor is given in **Annexure—III**.

[To be incorporated as and when comments are received.]

16. Approvals:

16.1 Please indicate the specific points on which approval of EFC / PIB is sought.

Approval of the Standing Finance Committee (SFC) is solicited on the following proposals of the Ministry of Corporate Affairs:

I. To implement a Central Plan Scheme of Corporate Data Management during 2014-17 with a project cost of Rupees 33.94 Crore as detailed in para 4.2 (at Pages 8-10 of this Memorandum);

II. To allocate Gross Budgetary Support of Rupees 33.94 Crore for the purpose during the three year period 2014-15 to 2016-17, as specified in Tables under Paragraph 7.1 (at Pages 16-17 of this Memorandum);

III. To constitute an Inter-Ministerial Advisory Group having members from Planning Commission, Ministry of Statistics & Programme Implementation, DIPP and RBI, and non-official experts to

- a. Finalize the RFP for selection of service provider and to select the service provider;
- b. Approve the process of recruitment of Technical Support Group;
- c. Review the project implementation and improve it for achieving the objective as well as optimal utilization of resources;
- d. Review fund utilization across various activities, and reallocate, if required; and

IV. To commence the execution of the component for funding research and studies as per guidelines as Annexure-I.

(Smt. Sibani Swain)
Economic Adviser
Tel. No.: 011-23385010 (Telefax)
E-mail: sibani@nic.in

**GUIDELINES FOR FUNDING RESEARCH AND STUDIES,
WORKSHOPS AND CONFERENCES ETC. UNDER THE PLAN
SCHEME “CORPORATE DATA MANAGEMENT” OF THE
MINISTRY OF CORPORATE AFFAIRS**

I. INTRODUCTION

1.1. “*Funding Research and Studies, Workshops and Conferences etc.*” is conceived as a component part of a Central Sector Plan Scheme, titled “*Corporate Data Management*” proposed to be implemented by the Ministry of Corporate Affairs. The major focus is to utilise the wealth of data available with the Ministry of Corporate Affairs by way of sponsoring Research, Studies and Surveys etc. in areas related, *inter alia*, to corporate growth in overall macro-economic perspective.

1.2. This would also include funding of Seminars, Workshops, Conferences, Symposia and Publications (Reports, Books and Monographs) which extract knowledge primarily from the MCA database and other sources, having implications for corporate governance and faster, sustainable and inclusive growth.

1.3. This is to be implemented by the Research and Analysis Division of the Ministry, under the supervision of a “Technical Committee” constituted under Paragraph 3.1 below.

1.4. The procedure for approving grant-in-aid, monetary ceilings, advances, instalments etc. would be as prescribed in the following paragraphs. Aspects not directly covered in these guidelines will be regulated by the provisions of the *General Financial Rules* of the Government of India.

II. OBJECTIVES

2.1. The primary objective of “*Funding Research and Studies, Workshops and Conferences etc.*” is to better utilise the repository of corporate sector data available with the Ministry under the MCA21 e-governance system, with a view to extract knowledge from data that will eventually inform policy and facilitate decision making in a market driven economy. The following illustrative list of themes for research, studies, conferences etc. has been identified :

- (i) Financial Inclusion and shareholders democracy;
- (ii) Corporate Bond Markets;
- (iii) Investor Protection and Investor Education;
- (iv) Performance of corporates (contribution to GDP, investment, revenue, profitability etc.);

- (v) Corporate governance;
- (vi) Corporate social responsibility;
- (vii) Competition law and practice;
- (viii) Consumer protection vis-à-vis corporate functioning;
- (ix) Transparency in corporate functioning;
- (x) Ease of Doing Business; and
- (xi) Social Audit of corporate sector functioning.

2.2. Research, Studies and surveys, Publication (Reports, Books and Monographs) of results of Research Studies, and Dissemination of knowledge (Seminars, Workshops, Conferences and Symposia at the National level or international level) acquired/ built through results of Research Studies, whether undertaken through funding under these guidelines or otherwise, on the above subjects, fulfilling the objectives will be considered for grant-in-aid, under these guidelines.

2.3. The purpose of Seminar etc. should be to:

- (a) stimulate an informed discussion or debate on research themes/topics, essential to corporate sector growth, enlightened regulation and positioning of corporates as responsible citizens, and
- (b) identification of problems and identification of remedial measures to pre-existing problems that would help corporate sector growth and/or re-orient practices of the Government/ corporate sector,

with active participation of, and partnership with the institutes of repute, as well as renowned names in the relevant field.

2.4. The proposals for conducting Research, Studies, Surveys, Publication (Reports, Books and Monographs), holding of Seminars, Workshops, Conferences and Symposia etc. are referred to as 'proposals' hereinafter in these guidelines.

III. APPROVAL PROCESS

3.1. All proposals (whether proposed by the Ministry itself or received from the Applicants) would be placed for consideration of grant-in-aid before the Technical Committee, consisting of:

Economic Adviser, MCA	Chairperson
Director (IFD), MCA	Member
Director (Statistics), MCA	Member
Two Non-official Experts to be nominated by the Inter-Ministerial Advisory Group	Members
Director (R&A), MCA	Member-Secretary

- 3.2. The functions and powers of the Technical Committee will be :
- (i) The Technical Committee may add to, delete from, or otherwise amend, the above list of issues/ themes/ topics in Paragraph 2.1;
 - (ii) The Technical Committee may accept/reject any proposal fully or partly and to require modification of any component including the scope, coverage, methodology, timelines, deliverables, or time or venue, as the case may be, while finally recommending the disbursement of a grant in respect of any proposal;
 - (iii) Formats of applications/ project proposals seeking funding/ grant-in-aid, under these guidelines will be finalised with the approval of the Technical Committee. These would be placed on the website of the Ministry for general information;
 - (iv) The Technical Committee may recommend the assignment of specific projects of interest to the Ministry to a Partner Organization, by issuing “Terms of Reference”. “Partner Organization” means the organisations functioning under the aegis of the Ministry of Corporate Affairs, i.e., the Institute of Chartered Accountants of India, Institute of Company Secretaries of India, Institute of Cost Accountants of India and the Indian Institute of Corporate Affairs;
 - (v) The Technical Committee may invite tenders regarding specific projects of interest to the Ministry by issuing “Request for Proposals”;
 - (vi) The Technical Committee may call for progress report on the study/ research undertaken, at periodic intervals, starting from the date of approval/ sanction of the project;
 - (vii) The Technical Committee may take expert opinion as to assess or review an on-going research/study; and
 - (viii) The Technical Committee may, in its discretion, call off the processing of a project, whether before or after the approval of a grant, if it appears to the Technical Committee that the project is not worth pursuing at Government cost.

3.3. After the Technical Committee takes a decision whether to fund, part-fund, reject a proposal or withdraw/cancel a grant already sanctioned, the minutes of the meeting of the Technical Committee containing its recommendations will be submitted to the Secretary, MCA for his approval. The approval, if and when received, will be executed by issue of orders of sanction and release of funds or by orders of cancellation, as the case may be, in accordance with the General Financial Rules, 2005.

IV. ELIGIBILITY

4.1. Institutions/Organisations i.e., those Societies, Trusts and Non-Profit Companies which fulfil the following Expertise and Standing specifications will be eligible to apply for funding/ grant-in-aid under these guidelines:

(A) Specifications of Standing:

- (i) The Applicant (Institution/Organisation) must have valid registration as society, trust, non-profit company etc. for at least three years;
- (ii) The Applicant (Institution/Organisation) must have been working in research/ survey projects in the past for at least three years preceding; and
- (iii) Educational qualifications and research capabilities of the full-time professionals and technical human resource should commensurately reflect domain knowledge.

(B) Expertise, wherewithal and level of commitment: The Institution must

- (i) possess expertise in designing research and statistical analysis for economic interpretation;\
- (ii) be equipped with hardware and tools for handling large-scale data; and
- (iii) be able to dedicate experts/ professionals during the term of the research/survey project as their main activity (not merely as a subsidiary activity), so as to ensure adequate levels of commitment and timeliness in delivery of the results.

4.2. Individuals with proven levels of commitment and expertise will also be eligible for applying for funding/ grant-in-aid for research, studies, surveys and publications, under these guidelines.

4.3. No organisation which has *commercial interest* in the proposal shall be considered for grants under these guidelines. No project which is funded, fully or partly by any international organisation or a multi-national company or a multi-national trust, shall be considered for funding under these guidelines.

4.4 Breach of any condition contained in the sanction letter, or suppression of any material fact concerning the eligibility/ ineligibility of an applicant would render the defaulting party liable for being black-listed or debarred from receiving any grant under these guidelines for a period specified by the Technical Committee.

V. FORM OF ASSISTANCE AND DISBURSAL

5.1. The grant-in-aid in respect of a proposal to an Institution will not exceed ₹ 15,00,000/- (Rupees fifteen lakh only), and the corresponding ceiling in respect of an individual will be ₹ 5,00,000/- (Rupees five lakh only). In case a project proposal is proposed to be part-funded by other organisation(s) also, the details thereof shall be submitted as early as possible, and in no case later than two weeks after the funding from the other organisation(s) is/are confirmed.

5.2. The Schedule of disbursement of grant would generally be as follows:

Research Proposals		
Instalment	Amount	Conditions
First	40%	On issue of sanction letter.
Second	40%	On submission of first draft. A presentation will be arranged in MCA to discuss draft Report/ findings.
Final	20%	Upon acceptance of the report and submission of requisite number of hard and soft copies of complete set of all documents used and report.

Proposals for Seminars, Conferences etc.		
Instalment	Amount	Conditions
First	60%	On issue of sanction letter.
Final	40%	On submission of the Report of the proceedings of the conference etc. with a complete set of all documents used and the final conclusions/ recommendations.