

निजी क्षेत्रों की सर्वेक्षण करने की क्षमताओं का मूल्यांकन
Assessment of Survey Capabilities of Private Sector

April 2007

Project Document for Setting up the Consultancy Wing

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INDIAN AGRICULTURAL STATISTICS RESEARCH INSTITUTE
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(सांख्यिकी एवं कार्यक्रम कार्यान्वयन मंत्रालय, केन्द्रीय सांख्यिकी संगठन, नई दिल्ली द्वारा पोषित)

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एम एस नारंग, डी सी माथुर, ए के गुप्ता, सत्य पाल, वी के जैन, भगवान दास, अल्का अरोड़ा,
मान सिंह, एस के शर्मा, डी पी शर्मा, पी एल गुप्ता व रजनी ग्रोवर

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EXECUTIVE SUMMARY

The National Sample Survey Organization (NSSO) in India is primarily responsible for conducting country wide surveys on subjects of national importance. Due to the changing global scenario, increasing entrepreneurial competitiveness and Intellectual Property Related (IPR) issues, the need for securing information related to various areas of national and regional importance especially the emerging areas in the service sector like Information Technology, Communications, Entertainment etc. has increased manifold. Due to non-availability of sufficient manpower and its already on going survey programmes the NSSO may not be in a position to take up additional survey. Further, several private organizations/ NGOs/ agencies have come up on the national scene which are capable of carrying out surveys of various kinds in the country. In this context, the Government of India is considering the possibility of making use of the survey expertise available with the private sector for conduct of sample surveys in the emerging areas of national importance. Currently, there is no such database available with the Government on the survey capabilities of the private sector. Moreover, there is a need to develop a mechanism which could cater to the increasing demand for professional statistical services especially within the Government. The National Statistical Commission (NSC) (2001) has also recommended that a Consultancy Wing be established in the Central Statistical Organization (CSO), Ministry of Statistics and Programme Implementation (MOS&PI). The establishment of a Consultancy Wing needs to be studied in detail. In view of the requirements of developing a database of survey capabilities of private agencies and establishment of a consultancy wing, the study entitled “Assessment of Survey Capabilities of Private Sector” was assigned to the Indian Agricultural Statistics Research Institute (IASRI), New Delhi with the objectives to gather information on private organizations/ agencies engaged in undertaking statistical surveys and studies, to assess the survey capabilities of such agencies, to develop a classified database of such agencies, to suggest structure and functions of a Consultancy Wing to be set up by MOS&PI with linkages to the private sector and to prepare a project document for setting up the Consultancy Wing. The study commenced from 22nd August, 2005. A Task Force was constituted by the CSO, MOS&PI, to provide guidance in the implementation of the study and to monitor the progress of the study from time to time.

As per the objectives of the study, a project document for establishment of Consultancy Wing has been prepared. This document critically evaluates the advantages and disadvantages of working in different systems like Government, Autonomous and Private Sector. Taking advantages and disadvantages of different working systems into consideration, the structure and functions of the Consultancy Wing are proposed as under:

The Consultancy Wing may be established as a Company under Companies Act, 1956 or Section 25 of the Companies Act, 1956. The name of the Consultancy Wing may be India Statistical Consultancy Services (ISCS)/ India Statistical Consultancy Services Limited (ISCS). The Registered Office of this Company may be situated in the National Capital Region of Delhi. The affairs of the company shall be managed by a Board of Directors. The number of Directors shall be between 8 to 10. The number of Directors can be increased up to 12 with the approval of the Annual General Meeting but beyond 12, the approval of the Central Government is required. The Board of Directors will have a administrative person (not below the rank of Joint Secretary), 6-8 technocrats. A person having specialization in finance and working in the Government will be the Ex-Officio Director of the Company. Out of 6-8 technocrats in the Board of Directors, 4-5 will be from the MOS&PI. The remaining technocrats may be taken from reputed research organization in Statistics/Economics in India/ similar consultancy companies in other Ministries of the Government of India.

The company shall start with a corpus fund to be provided by the CSO, Ministry of Statistics and Programme Implementation for a period of five years. The total amount of corpus fund shall be Rs.2500.00 lakhs. This fund will be used in meeting the core expenditure. With time it is expected that it will increase its corpus and develop into a self sustaining entity capable of managing its affairs, including finance, independently.

The head of the ISCS may be designated as Chief Executive Officer (CEO)/ Chief Managing Director (CMD). The ISCS will have three General Managers (GM) i.e. one each for Statistical Surveys, Economic analysis and Data Analysis Divisions. The Statistical Survey Division will consist of 5-6 officers (Area Managers) from different sectors such as Agriculture, Industries, Socio-economic, Population and Health, Finance and Service Sectors. The Economic Analysis and Data Analysis groups could have 2-3 officers each covering the areas of importance. These groups should be

adequately supported by technical/professional staff. An expert in IT should be a part of this set up. There will be an administrative cum finance unit to support this organization. Besides, there shall be a regular company secretary in the company.

The professional staff of the ISCS may be drawn from the Cadre of the Indian Statistical Service and/or Research/Academic Institutions on tenure/deputation basis.

The salaries of the staff of ISCS will be governed by deputation rules.

The primary functions of the ISCS would be to undertake methodological developments, model building type of studies, award and monitor studies to the meritorious private survey agencies and strengthening of the Indian Statistical System through involvement of the private agencies in conduct of studies of national importance. The Company will function as an effective inter-face between Government survey demand and execution of work by private survey agencies. It will sanction funds for different studies. Simultaneously, request for expression of interest, placing tenders, requirement analysis and preparing documents for sanction of funds will be the responsibility of the Company. It may also look into the aspect of capacity building of statistical staff of Government as also private agencies on specific requests.

CHAPTER 1

BACKGROUND

Introduction

The Central Statistical Organization, Ministry of Statistics and Programme Implementation's World Bank aided project entitled "Assessment of Survey Capabilities of the Private Sector" aims at strengthening the Indian Statistical System through involving those private agencies which have the potential to conduct sample surveys in an organized and efficient way. The need for involvement of private agencies in the national level survey programmes has arisen in view of the changing global scenario, increasing entrepreneurial competitiveness and Intellectual Property Related (IPR) issues, for securing information related to various areas of national and regional importance especially the emerging areas in the service sector like Information Technology, Communications, Entertainment etc. National Sample Survey Organization (NSSO) was established for conducting surveys on various socio-economic issues related to the national economy including follow up enterprise surveys of Economic Census, Annual Survey of Industries, Supervision of Area Enumeration and Crop Estimation surveys conducted by the state agencies so that appropriate data can be made available for policy planning and decision making on various issues of national importance. The NSSO is not in a position to take up additional surveys due to its already on going survey programmes. Thus a viable alternative mechanism is needed so that the important survey programmes continue in an uninterrupted manner. Moreover, several private organisations/ NGOs/research agencies have come up on the national scene which are capable of carrying out surveys of various kinds in the country. These agencies have survey capabilities in terms of expertise, infrastructure and other resources. Government of India is considering the possibility of making use of the survey expertise available with the private sector for conduct of sample surveys in the emerging areas of national importance. As a matter of fact, the Ministry of Statistics and Programme Implementation (MOS&PI), from time to time has been entrusting some of its survey work to the private agencies for implementation. Needless to mention, many of the private agencies do not possess the desired quality of competence for conducting a proper sample survey. Thus, there is a need to critically examine the survey capabilities of private sector agencies so that only the capable agencies could be

entrusted the work of such survey programmes.

1.1 National Statistical Commission Recommendations

The National Statistical Commission (NSC)*, set up by the Govt. of India to restructure the Indian Statistical System so that the system functions in a coordinated manner and the public trust in quality of statistics generated through the system remains undiluted. Therefore, the need was felt for setting up a Consultancy Wing (CW) to cater the increasing demand of surveys etc. The views of the NSC in this regard are reproduced as below:

“The Consultancy Wing would cater to increasing demand for professional statistical services, especially within the government. Presently this demand is being partially catered to by private agencies whose competence could be questionable. It is understood that some Central and State Government Departments have been incurring an annual expenditure of the order of few hundred crores of Rupees on account of outsource studies, surveys and consultancy work. The Consultancy Wing will aim to cater to the increasing demand for investigations and studies of a statistical nature and provide related professional statistical services that can not be accommodative in the existing arrangements with in the government. This wing would essentially function as an autonomous body and aim to be the commercial being for professional statistical activities. In its nascent stage it will be nurtured by the NSO, before it hives off as an independent corporate entity outside the government.

To start with, it may undertake projects from Governmental and International agencies regarding data collection, processing, analysis and report generating through sample surveys or other means of topics assigned to it. It could also take-up consultancy services relating to statistical problems including methodological studies and model building. It would carry out detailed analytical reporting, consultancy (both national and international) and compete in the consultancy market on commercial terms. Some of the activities include methodological studies, surveys, macro-econometric modeling and forecasting and consultancy to the State Governments. It will adhere to the appropriate statistical standards and methodology. The Consultancy Wing would be free to hire skilled personnel for project-specific work including officers of the Indian Statistical Service on deputation.

*(National Statistical Commission Report (2001). Central Statistical Organisation, Ministry of Statistics and Program Implementation)

This being a new activity, the Commission recommends that the organizational structure for it should evolve along with the growth of its activities.”

1.2 Action taken on the National Statistical Commission Recommendations

For this purpose, the Central Statistical Organization, Ministry of Statistics and Program Implementation awarded a study entitled “Assessment of Survey Capabilities of Private Sector”, to the Indian Agricultural Statistics Research Institute (IASRI), New Delhi with the following objectives-

1. To gather information on private organizations/ agencies engaged in the field of statistical surveys and studies.
2. To assess the capabilities of the private organizations/ agencies in the activities of survey, enquiries, analytical studies etc.
3. To develop a classified database of such agencies.
4. To suggest structure and functions of a Consultancy Wing to be set up by the Ministry with linkages to the private sector.
5. To prepare a project document for setting up the Consultancy Wing.

Accordingly, the IASRI has already submitted reports pertaining to objectives 1, 2 and 3 to the Central Statistical Organization, Ministry of Statistics and Programme Implementation. The present report gives an outline of a framework for the Consultancy Wing . This report as per objectives 4 and 5 broadly covers the following two aspects:

- To propose a structure for the consultancy wing to be set up by the Ministry with linkages to the private sector
- Outline a critical account of the technical aspects of working of the consultancy wing

CHAPTER 2

CRITICAL APPRAISAL OF ALTERNATIVE WORKING SYSTEMS

Introduction

In order to meet the expectations and spirit of the recommendations of NSC, the Consultancy Wing must inherit the advantages of the working under the government system as well as benefit from the flexibility of the private companies.

Khanvate in his book entitled THE HRD CHALLENGE FOR 21ST CENTURY GP: Manpower Management in Medical Practice observes that the performance of any enterprise depends on the following twelve factors:

1. Staff selection (Appointments)
2. Salaries
3. Planning
4. Organizing and Delegating
5. Co-operation
6. Accountability (performance appraisals)
7. Supervision
8. Training
9. Motivation
10. Teamwork
11. Human Relations
12. Communication. (May refer for details to website http://www.bhj.org/journal/2001_4302_apr01/gps_290.htm)

Khanvate further elaborates on the advantages and disadvantages of running an organization following the principles as enunciated in the twelve points as follows:

Advantages

1. Enhancement of staff productivity and morale.
2. Managed care helps us to improve our service to the patients.
3. Increases client turnover.
4. Increases revenue.
5. Improvement in the standard and quality of product.

6. Professional satisfaction.
7. Appreciable behavioral change in the manpower and cultural change in the organization.
8. Peer recognition.

Disadvantages

1. Time and energy consuming.
2. You may be willing to be a good pay master. Hence expensive.
3. Man power management is a continuous process and not just an end result to be attained.
4. Some staff members new to the concept may mistake in approach to be a weakness/softness. Hence continuous alertness is needed to rectify such cases.
5. Increase in the service charges.

In the light of the twelve factors made by Khanvate, the merits and demerits of working of the Government, Autonomous organizations and Private companies are critically reviewed as below:

2.1 Government System

2.1.1 Advantages

In the government system there is well defined hierarchy with centralized control system along with well defined procedures for operation which must be observed by all. The detailed rules and regulations under the government set-up are often a great help in arriving at the right conclusions without any ambiguity and subjectivity of any kind. The procedures are very well drafted with the sole objective of optimising the output and at the same time ensuring the accountability of the decision makers.

- Centralised control mechanism with a well defined hierarchy leads to streamlining the energies of its employees towards well defined goals and objectives of the organisation. The organisation can be more focussed if negative tendencies can be kept under control.
- Opportunities for higher learning and professional development as it can invest in its people, providing challenging work and supporting on-going learning and professional development of its employees
- Provides job security so that employees can contribute more positively without distracting their attention due to the risk factors.

- Fixed Working Hours i.e., 39 hours per week provides an opportunity to the employees in better planning of their work, home and social matters.
- Prestige of working in the government system provides greater occupational status to the employee due to credit worthiness etc.
- Besides pay, working in the government provides several associated social benefits including retirement, pension, medical facilities, Leaves, Leave Travel Concession and others
- Government can provide better working infrastructure to its employees due to reliable funding source which consequently should lead to better output.

2.1.2 Disadvantages

- In government working, the operating procedures and rules are strictly observed without any scope for deviation, many a times even at the cost of output resulting in nagging delays. Thus a rupee saved is more important than a rupee earned. Often these procedures involve enormous paper work, maintaining even very old records, several reporting procedures lead to unnecessary accumulation of avoidable paper work. Consequently the working efficiency suffers.
- Often there is job dissatisfaction for employees working in the government because the employees feel that there is no scope for creative and intellectual work. There is routine work to be carried out in a routine manner. There is less toleration for deviating from the procedures. The pay packages are fixed with no scope for obtaining higher pay for doing better work.
- Absence of proper incentives and rewards system. An employee who does less work can not be easily penalized whereas an employee who puts in extra efforts can not gain any extra advantage. Thus there is no incentive for hard working employees.
- With assured job guarantees and pay packages, there is little incentive for good work resulting in poor working efficiency. There is no scope for individual innovation and creativity thereby depriving job satisfaction.
- There is no scope for risk taking opportunities which may result into out of box performance of the organisation.
- There is inherent mechanism which does not rely on the face value of the employee's intentions. There is an element of doubt on the integrity of workers. The prevalent audit system is such that one starts with the premise that every body is dishonest and

often it is very harassing for an honest employee to prove his honest intentions time and again.

- It is difficult to remove erring employees from the service. With prevailing system for departmental proceedings and the time consuming legal procedures, it takes years before an erring employee can be suitably punished causing much loss of office time, wastage of constructive energy and institutional funds. This delay breeds lot of dissatisfaction as well as scope to the erring employees to manipulate the system to their advantage.
- The cost of output delivery is very high. As against the investment on employee pay and packages the work output is often very little resulting into high cost of output delivery.
- The centralised decision making process neither involves the employees nor encourages their empowerment through a sense of belongingness and ownership of the organisation.

2.2 Private Companies

2.2.1 Advantages

- Working in private companies is output driven rather than procedure driven. Private companies have distinct advantage by way of possibility of flexible working hours and flexible work arrangements at office /home.
- Private companies have to be internationally competitive for their survival. They are, therefore, tuned to working for 24 hours x 7 days.
- Private companies are innovative and can take risks. They encourage creativity, innovation and intellectual freedom in the pursuit of an exciting agenda for the Company's objectives. They are quick to adapt to changing requirements and bring out improvements in their internal processes for greater working efficiency.
- Private sector offers greater and exciting opportunities for career advancement and wide variety of career choices.
- Productive persons working in the private sector enjoy flexibility of working place, pay structure and other benefits. There are thus attractive incentives for good work in the private sector.

- They support employees in balancing their work and personal lives through flexible work arrangements, streamlining processes and balancing workload with resources available.
- Private companies show respect, civility, fairness and are caring towards their employees. Private companies respect diversity in people, ideas and differences of view. They show leadership through participation, openness, communications, teamwork, recognition and rewards for results and accomplishments. Thus the atmosphere in the private sector is generally very healthy.

2.2.2 Disadvantages

- People working in the private sector often suffer on account of long working hours. They have very less time for socialization and relaxation. They carry the pressure of work. People working in the private sector often suffer from Work Fatigue.
- Job insecurity especially for ageing employees is a matter of serious concern at a time when they have greater family and social responsibilities.
- The retirement and medical benefits are at times not very attractive.
- Due to cut throat competition among employees there may be at times sense of rivalry leading to disbelief among employees and there is somewhat lack of cohesion.

2.3 Autonomous Organizations

2.3.1 Advantages/ Disadvantages

- If a good autonomous organisation can be created under the government with full working autonomy and all the benefits of Government working it could be an ideal situation in the interest of optimising work efficiency. However, the employees working in the autonomous organizations often do not enjoy the complete autonomy in their working nor they have full benefits of Government working.
- They are very often subject to frequent reviews leading to disruptions in the working and loss of efficiency.
- They suffer from lack of flexibility and innovative thinking.

2.4 Private Companies-organizational set up and functions:

It may be seen from the above appraisal that there are clear advantages of working in

the private sector by way of quality and quantity of output as well as optimum use of the available resources as also healthy working environment. With this in view some of the important private companies undertaking consultancy work have been reviewed. It is observed that such companies are registered under Companies Act, 1956 or Section 25 of the Companies Act, 1956. The basic structure and working in the two systems is more or less same. The advantages in registering a company under Companies Act, 1956/ Section 25 of the Companies Act, 1956 are the following (For details please see the APPENDIX A):

2.4.1 Advantages of registering under Companies Act, 1956

1. Public limited company is a widely acceptable form of company.
2. The minimum number of members is at least 7 and the minimum paid up share capital shall be Rs. 5 lacs or such higher capital as may be prescribed. This clearly shows that there is a scope for more public participation. Therefore management will be more efficient & effective.
3. Transparency will be more.
4. Public company will have effective corporate governance.
5. Since public company is subject to inspection of various statutory records. Balance sheets etc. by public. Therefore Investors will have more advantages.
6. Shares are easily transferable.
7. Invite or accept deposits from persons other than members, Directors or their relatives.
8. If the public limited company is Government company then the Government will appoint its Directors.
9. The audit of the Government company will be carried out through the Comptroller and Auditor General

2.4.2 Advantages of registering under Section 25 of Companies Act, 1956

Section 25 of Companies Act permits the registration under a license granted by the Central Government of, all 'associations not for profit with limited liability' without being required to use the word 'limited' or the words 'private limited' at the end of their names. (It is mandatory that the name of a limited company must end with the word 'limited' in case of a public company and with the words 'private limited' in the

case of private company).

Such a company is registered without paying any stamp duty on its memorandum and articles. On registration, the association enjoys all the privileges of a company, and is subject to all its obligations except those in respect of which exemption by a special or general order is granted by the Central Government.

Exemptions granted to Section 25 companies – In exercise of the powers conferred, the Central Government has directed that a body to which a license is granted under section 25 shall be exempted, inter alia, from the following:

- (1) The Secretary of such a company need not be possessing the qualifications of a Company Secretary.
- (2) Section 25 companies are exempted from publication of name by the company.
- (3) The annual returns of such companies to be filed with the Registrar of Companies need not include particulars regarding the names of members and the respective dates on which they became members and the names of persons who ceased to be members since the date of the annual general meeting of the immediately preceding year and the dates on which they so ceased.
- (4) Section 25 company may hold its annual general meeting on a day which is a public holiday. However, the time, date and place of each Annual General Meeting must be decided upon beforehand by the Board of Directors having regard to the direction, if any, given in this regard by the company in general meeting.
- (5) A general meeting of such a company may be called by giving a notice in writing of not less than 14 days as against a notice of 21 days.
- (6) Minutes may be recorded within 30 days of the conclusion of every meeting where the articles of association provide for confirmation of minutes by circulation.
- (7) Books of account relating to a period of not less than four years (as against eight years) shall be preserved.
- (8) Documents relating to annual account may be sent not less than 14 days (as against 21 days) before the date of the general meeting.
- (9) The provisions of section 257 shall not apply to the companies whose articles provide for election of Directors by ballot.
- (10) Any increase in the number of Directors shall not require the approval of the

Central Government.

(11) The provisions relating to the filing of consent to act as a Director with the company and with the Registrar of Companies is not applicable to such companies.

(12) The Board of Directors/Executive Committee/Governing Committee of such companies shall hold at least one meeting with every six calendar months (as against every three calendar months).

(13) The quorum for the Board meeting shall be either eight members or 1/4th of its total strength whichever is less provided the quorum shall not be less than two members in any case.

On the basis of the study of various companies it was found that the affairs of the companies are managed through the Board of Directors. Besides other members, some of the members of the board are from the Government side. For running the business of the company, there is a Chief Executive Officer (CEO) with varying designations such as Chief Managing Director (CMD)/Managing Director (MD) etc.. The CEO is assisted by second level executives such as Directors/General Managers etc.. Some of which are Technical persons while others are either from finance or administration. To avoid delays and smooth functioning there is a clear cut delegation of powers at various levels.

We give below, in brief, the structure and objectives and background information on some of the companies

2.4.3 National Informatics Centre Services Incorporated (NICSI)

(<http://nicsi.nic.in/>)

National Informatics Centre Services Inc. (NICSI) was set up in 1995 as a section 25 Company under National Informatics Centre, Ministry of Communications & Information Technology, Government of India to provide total IT solutions to the Government organizations. Specifically, it is supposed

- To provide best technology available to users at a competitive price.
- To provide quality conformance and reliability.
- To provide complete solutions to the user.
- To be customer sensitive and market driven.

Main Objectives

- To provide the economic, scientific, technological social and cultural development of India by promoting the utilization of Information Technology. Computer-Communication Networks, Informatics etc. by a spin off of the services, technologies, infrastructure and expertise developed by the National Informatics Centre of the Government of India including its computer-communication network, NICNET and associated infrastructure and services.
- To promote further development of services, technologies, infrastructure and expertise supplementing that developed by NIC, in directions which will increase the revenue earning capacity of NIC.
- To develop and promote value added computer and computer-communications services over the basic infrastructure and services developed by NIC including NICNET.

In furtherance of these objectives, NIC Services Inc. has been providing following Products & Services to organizations in the Central Government, State Governments and P S Us etc.:

- Hardware
- Systems Software
- Application Software
- Software Development
- Intra-Networking
- Wide Area Networking
- Videoconferencing
- Customized Software
- I.T. Training
- I.T. Consultancy
- I.T. Implementation Support

Board of Directors

- Addl. Secretary, DIT
- Executive Director

- Dy. Financial Advisor
- Sr. Technical Director.
NIC
- DDG, NIC
- Sr. Technical Director,
NIC
- Sr. Technical Director,
NIC
- Sr. Technical Director
& SIO, NIC
- Sr. Technical Director,
NIC
- MD, NICS

2.4.4 Water and Power Consultancy Services (India) Limited (WAPCOS)

(<http://www.wapcos.net/>)

Water and Power Consultancy Services (India) Limited (WAPCOS) - a Public Sector enterprise under the aegis of the Union Ministry of Water Resources, was set up by the Government of India in the year 1969 to channelise Indian expertise in Water, Power, Infrastructure and allied sectors for the benefit of developing countries, and is now recognized amongst the top ranking consultancy organisations of the World in these sectors. The company is accredited with ISO 9001:94 certification from EAQA, UK and also enjoys the status of "Mini Ratna" conferred by Government of India by virtue of WAPCOS' consistent track record of "Excellent" performance and profit earning.

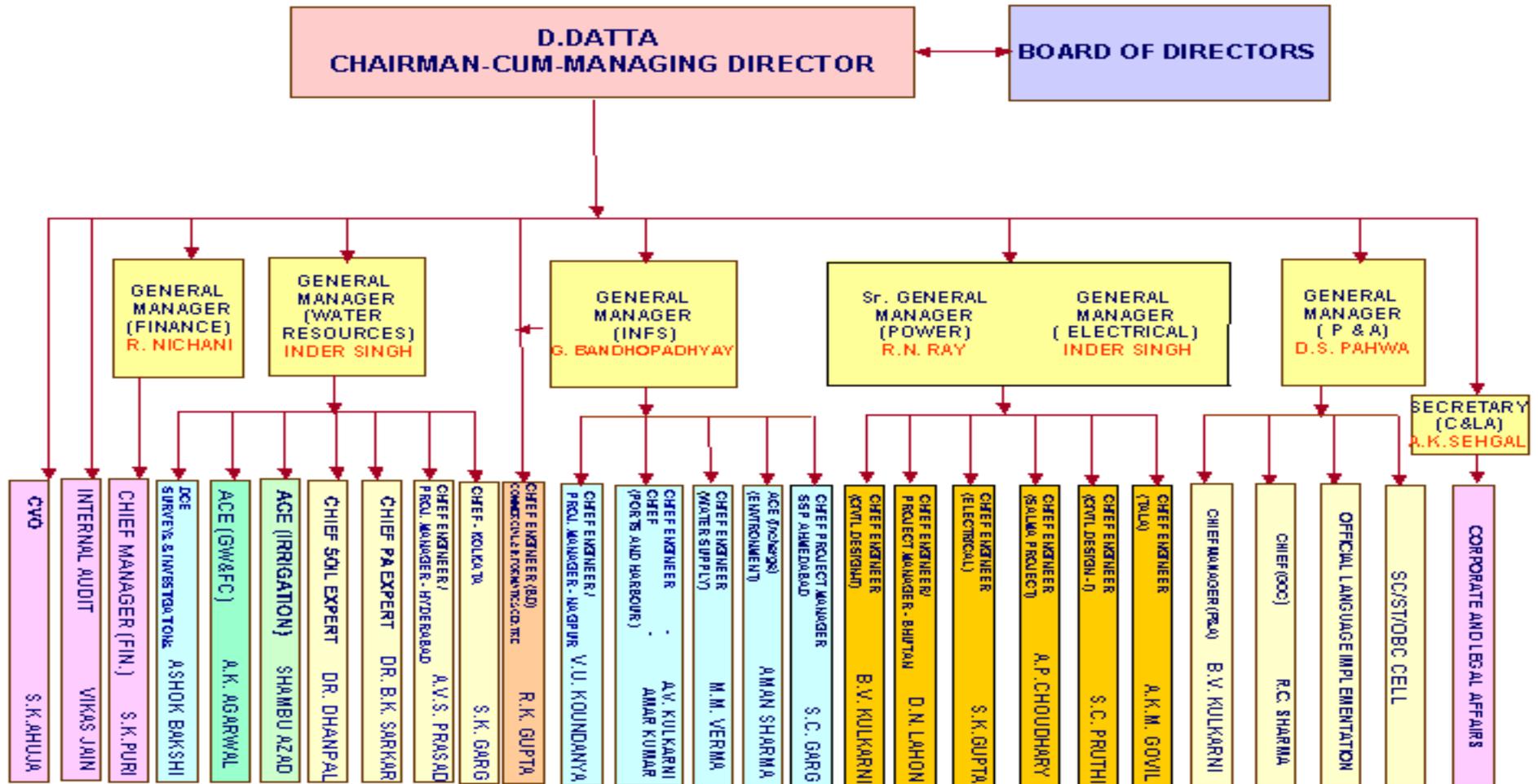
WAPCOS has been rated as "**Excellent**" by the Department of Public Enterprises for 11 years in succession and has been awarded **Prime Minister's MOU Award** for "**Excellence**" for the year 1998-1999. WAPCOS ranked amongst the top **10 PSEs for the year 1999-2000** and received '**Merit Certificate**' for "**Excellent**" performance during 1999-2000 and 2000-2001 from **Hon'ble Vice President of India**. WAPCOS received award of "**Excellence**" for achieving MOU Targets for the year 2001-2002

from **Hon'ble President of India.**

In recognition of its contributions in the Water and Power Sectors, WAPCOS has been elected as a member of the Governing Body of Consultancy Development Centre (CDC), an autonomous body supported by DSIR, Ministry of Science & Technology and also Governing Council of Consulting Engineers Association of India (CEAI) for the year 2000-2003 and again for the year 2003-2005. WAPCOS had also been associated in the preparation of 10th Five Year Plan of Govt. of India and acted as Member of various Committees Constituted by Planning Commission. WAPCOS has made a niche within the Ministry of Water Resources and Ministry of Rural Development, Government of India and deliberates on technical matters, national policy issues and way forward approach to Sustainable Development. WAPCOS has been awarded the best "Consultancy Project Award" by Consultancy Development Centre (CDC) for "Haryana Operational Pilot Project (HOPP)".

Apart from India sub-continent, WAPCOS has been **operating in over 35 developing countries** and is currently engaged in providing consultancy services in Afghanistan, Bhutan, Cambodia, Ethiopia, Mauritius and Zimbabwe. In addition to its core team professionals WAPCOS also utilises its in built capacity to draw upon and mobilise the in-service expertise from various central and stage government organisations.

1.6 ORGANISATION CHART



2.4.5 Rail India Technical and Economic Services Limited (RITES)

(<http://www.rites.com/>)

RITES, a **Government of India Enterprise**, is a **multi-disciplinary ISO 9001 consultancy organization** with extensive resources and the ability to deliver results, right on time. Been in business for more than a quarter of a century, RITES has scaled heights in different sectors of consultancy, starting first with railways, mostly abroad and later to other transportation sectors both in India and outside. It has since over the decades graduated to other infrastructure sectors.

Presently, RITES has **more than 40 on-going projects in various countries, worldwide.**

Sectors of operation / Services spectrum

- Airports
- Architecture & Planning
- Bridge Engineering
- Client Services
- Container Traffic
- Economics & Statistics
- Electrical Engineering/ Energy Management
- Environmental Engineering
- Expotech
- Financial Management
- Geotechnology
- Highways
- Industrial Engineering
- Information Technology
- Marine Engineering
- Materials System Management
- Operation & Maintenance
- Ports & Waterways
- Privatisations

- Project Management
- Quality Assurance
- Railways
- Rolling Stock Design
- Ropeways
- Signal & Telecom
- Surveys
- Training
- Transport Planning & Economics
- Urban Planning
- Urban Transport

Board of Directors

Chairman

Managing Director & Chief Executive Officer

Technical Director

Director Finance

Director Projects

Government Nominee Directors (2)

Independent Non-Official Director (3)

2.4.6 IRCON International Ltd.

(<http://www.irconinternational.com/>)

IRCON offers more than 40 years of experience in solving the toughest temperature measurement problems encountered by industry. Well over 80,000 IRCON instruments, chosen from a wide range of infrared thermometers, pyrometers, and thermal imagers, have been successfully installed in plants around the world. These instruments are designed for reliability and their rugged construction has been proven in the most hostile environments. IRCON instruments are commonly found in steel mills, glass plants, circuit board production, automotive assembly and a wide range of other industries where moving processes make using conventional thermocouples and RTD's not feasible.

To meet specific customer needs and application requirements, the IRCON product line offers a wide selection of on-line, noncontact infrared sensors, including highly reliable two-color thermometers; handheld thermometers; line scanners; thermal imaging systems; calibration systems and accessories.

Each series of instruments offer a wide range of temperature spans and spectral regions. Additionally, IRCON infrared thermometers feature through-the-lens focusable optics, to allow viewing and measuring temperatures of small targets.

But, IRCON provides more than a complete line of dependable equipment - it offers a total measurement solution, including a variety of support services. For instance, its sales and application engineering people provide experienced application assistance, analysis of one's product or material in its laboratory to help in correct instrument selection; or can demonstrate IRCON instruments directly on one's process.

IRCON conducts easy-to-understand technical training seminars covering both basic infrared theory and its practical application to laboratory and industrial measurement and control problems. Our Technical Services Center provides field services, preventive maintenance contracts, and calibration service including training for one's plant maintenance staff.

As with all IRCON products, one gets a total solution to temperature measurement, including top-notch support services and a commitment to ISO 9001 Quality System Certification.

Organization structure

(Chairman-**IRCON**)

Managing Director

Director (Projects)

Director (Finance)

Directors (Part-time non-official) (5)

2.4.7 MS Swaminathan Research Foundation (MSSRF)

(<http://www.mssrf.org/>)

M. S. Swaminathan Research Foundation (MSSRF) was registered in 1988 as a non-profit Trust. The basic mandate of MSSRF is to impart a pro-nature, pro-poor and pro-women orientation, a job-led economic growth strategy in rural areas through harnessing science and technology for environmentally sustainable and socially equitable development.

MSSRF is doing research in the following five areas: Coastal Systems Research, Biodiversity and Biotechnology, Ecotechnology & Sustainable Agriculture, Reaching the Unreached, and Education, Communication, Training and Capacity Building.

The Foundation operates through the following pathways to agricultural and rural development: conservation and enhancement of natural resources, promotion of sustainable livelihoods, gender equity and voicing the voiceless as well as information and skill empowerment. Through the Hindu Media Resource Centre, the Foundation promotes public understanding of science through media practitioners.

The Foundation is known for its emphasis on bottom-up participatory approach, which places people before technology.

Board of Trustees

Chairman

Director

Joint Director (Research)

Officials (7)

Secretary to the Board of Trustees

2.4.8 FRACTAL

(<http://en.wikipedia.org/wiki/Fractal>)

Fractal is a leading provider of advanced analytics services that help retail financial, banking and telecommunication institutions take data based decisions that enhance the effectiveness of their marketing and risk management programs. Fractal applies leading edge analytics to transaction-based data, generates insights into key business drivers and through predictive scoring creates a forward looking view of the client's business potential and risk.

It convert's all analytics solutions into decision frameworks that can effectively optimize business goals. Fractal has helped global banks and telecom companies enhance market share and revenues while keeping credit risk in control.

Corporate Management

Fractal's management team averages 10 years of experience in analytics, banking, insurance and technology. All members of the management team hold MBAs from premier management schools. The team brings rich experience from leading companies including Microsoft, ICICI Bank, (NYSE: IBN), Standard Chartered Grindlays Bank, Life Insurance Corporation and Smithkline Beecham (now GlaxoSmithKline).

2.4.9 National Thermal Power Corporation (NTPC) Limited

(<http://www.ntpc.co.in>)

Type	Public
Founded	1975
Headquarters	Delhi, India
Key people	Chairman & Managing Director
Industry	Power Generation
Products	Electricity
Revenue	INR 261 billion (2006) or USD 5.91 billion
Net income	INR 5.8 billion (2006) or USD 131 million
Employees	23867 (2006)

National Thermal Power Corporation is the largest power generation company in India.

The Forbes Global 2000 ranking for 2005 ranks it as the 5th leading company in India and the 486th leading company in the world. It is a public listed (Bombay Stock Exchange) Indian public sector company, with majority shares owned by the Government of India. At present, Government of India holds 89.5% of the total equity shares of the company and the balance 10.5% is held by FIIs, Domestic Banks, Public and others. NTPC ranks amongst the top five companies, in terms of market capitalisation.

NTPC's core business is engineering, construction and operation of power generating plants and also providing consultancy to power utilities in India and abroad. As on date the installed capacity of NTPC is 26, 404 MW through its 14 coal based (21,395 MW), 7 gas based (3,955 MW) and 4 Joint Venture Projects (1,054 MW).

NTPC's share on 31 Mar 2006 in the total installed capacity of the country was 19.51% and it contributed 27.68% of the total power generation of the country during 2005-06. Thus, every fourth home in India is enlightened by NTPC. A total of 170.88 BUs of electricity was produced across all the stations of the company in the financial year 2005-2006. The Net Profit after Tax on March 31, 2006 was INR 58, 202 million. Net Profit after Tax for the quarter ended June 30, 2006 was INR 15528 million, which is 18.65% more than the same quarter in the previous financial year (2004-2005) where the profit was INR 13087 million.

Pursuant to special resolution passed by the Shareholders at the Company's Annual General Meeting held on September 23, 2005 and the approval of the Central Government under section 21 of the Companies Act, 1956, the name of the Company "National Thermal Power Corporation Limited" has been changed to "NTPC Limited" with effect from October 28, 2005.

The company, which has completed its thirty years of existence on November 7, 2005, has made its foray into hydro-power and is planning to go into nuclear too).

At the top level the organization comprises of

Chairman & Managing Director

Director, Technical

Director, Projects

Director, Finance

Director, Operations

Director, Human Resources

Director, Commercial

Chief Vigilance Officer

Besides there are Executive Directors posted at the Branches of NTPC.

CHAPTER 3

PROPOSED STRUCTURE OF CONSULTANCY WING

Introduction

In this chapter, the structure of the Consultancy Wing as well as other details like the name, objectives of the Consultancy Wing, location of the office, structure and functions of the Board of Directors etc. are proposed.

3.1 The proposal for Structure of the Consultancy Wing

Name

The name of the consultancy wing may be **India Statistical Consultancy Services Limited (ISCS)/ India Statistical Consultancy Services (ISCS).**

Registration

The Consultancy Wing may be registered as a Company under the Companies Act, 1956/ Section 25, Companies Act, 1956.

Office of the company

The Registered Office of this Company may be situated in the National Capital Region of Delhi. Initially the office may be located in the Central Statistical Organization, Ministry of Statistics and Programme Implementation.

Mission of the Company

To act as an effective interface between Government and private agencies for implementation of studies of national importance.

Objectives of the Company

The primary objectives of the Company would be to

- i) Undertake methodology development, model building type of studies
- ii) Award studies to the meritorious private survey agencies
- iii) Monitoring of the studies awarded to the private survey agencies
- iv) Strengthening of the Indian Statistical System through involvement of the private agencies in conduct of studies of national importance
- v) Updation of database on survey capabilities of private agencies and verification of agencies

Structure of the Company

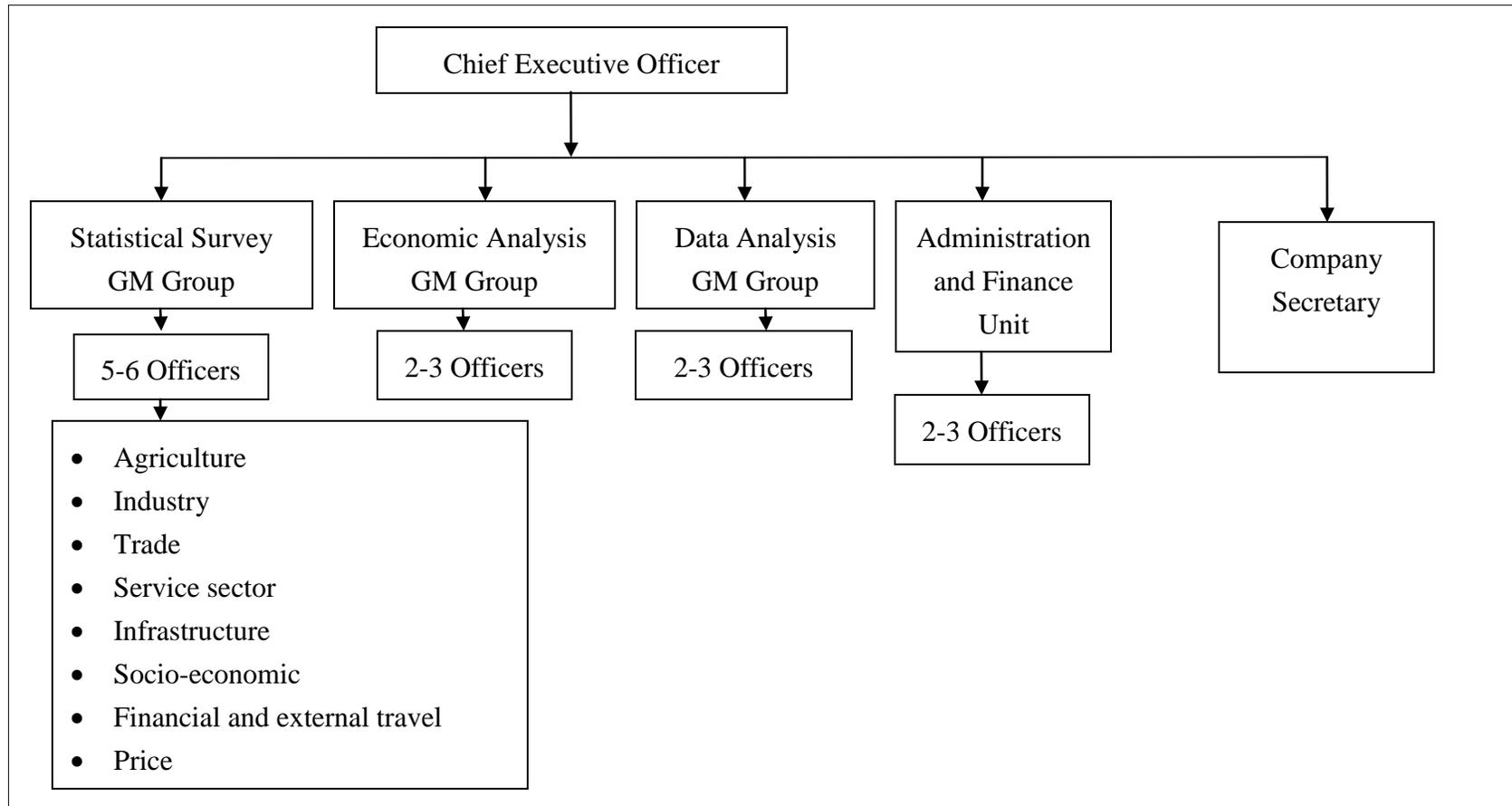
The head of the Company may be designated as Chief Executive Officer (CEO) or Chief Managing Director (CMD). The Company should have at least some core staff who may be statisticians, economists and data analysts having exposure to the Survey Methodology and computer data analysis. The professional staff of the company may be drawn from the cadre of the Indian Statistical Service and/or Research/Academic Institutions on tenure/deputation basis. The salaries of the staff of the company will be governed by deputation rules and/ or the scales fixed by the company as a Public Sector Undertaking. The Company should be a lean but efficient organisation comprising of three General Managers (GM) one each for Statistical Surveys, Economic analysis and Data Analysis respectively. The Statistical Survey group could consist of 5-6 officers (Area Managers) from different sectors such as Agriculture, Industries, Socio-economic, Population and Health, Finance and Service Sectors. The Economic Analysis and Data Analysis groups could have 2-3 officers covering the areas of importance and requirement. These groups should be adequately supported by technical/professional staff. An expert in IT should be a part of this set up. There should also be an administrative cum finance unit to support this organisation.

There shall be a regular Company Secretary in the Company.

There will be one person having specialization in finance.

A person of the rank of section officer from the MOS&PI shall be posted on deputation to look after the accounts. Other staff for this purpose can be hired for a fixed period of time. Administrative staff also can be hired on the same lines.

Fig: Structure of the India Statistical Consultancy Services Limited/India Statistical Consultancy Services



Corpus Fund

The company shall start with a corpus fund to be provided by the CSO, Ministry of Statistics and Programme Implementation for a period of five years. The total amount of corpus fund required will be Rs. 2500.00 lakhs. (The head wise and year wise details of the corpus fund required are provided in APPENDIX B). This fund will be used in meeting core expenditure. With time it is expected that the Company will increase its corpus and develop into a self sustaining identity capable of managing its finances independently.

Board of Directors

The affairs of ISCS shall be managed by a Board of Directors.

The number of Directors shall be between 8 to 10. Change in the number of Directors can be made in the general meeting subject to a maximum of 12. The number of Directors can be increased beyond 12 with the approval of the Central Government.

The Board will have a administrative person (not below the rank of Joint Secretary), 6-8 technocrats. A person having specialization in finance and working in the Government will be the Ex-Officio Director of the Company. Out of 6-8 technocrats in the Board of Directors, 4-5 will be from the MOS&PI. The remaining technocrats will be from reputed research organization in Statistics/Economics in India/ similar consultancy companies in other Ministries of the Government of India.

The Chief Statistician of India /Director General (CSO) shall, on behalf of the President of India, appoint full time CEO/ CMD by deputing suitable officers of the MOS&PI.

The duration of the CEO/ CMD will not exceed five years.

The other officials (General Managers, Area Managers etc.) will be appointed by the Chief Statistician of India /Director General (CSO) in consultation with the CEO/CMD.

Chief Executive Officer/Chief Managing Director of the Company shall be under the control and direction of the Company's Board and shall be overall in charge of administration of the Company and all officers of the Company including the Company Secretary shall be under his supervision and control.

Functions of the Board

- To conduct and administer the general business matters of the Company.
- To determine what work shall be undertaken and to arrange for the conduct of such work.
- To control the finances of the Company.
- To control the staff of the company.

The Board shall meet together at least once in every three months and at least four such meetings shall be held every year, for the dispatch of business and may adjourn and otherwise regulate its meetings and proceedings as it thinks fit. Provided the Central Government may by notification in the Official Gazette direct that the provisions of this Article shall not apply in relation to this company or shall apply in relation thereto subject to such exceptions, modifications or conditions as may be specified in the notification. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director. Unless otherwise determined, from time to time and at any time, by the consent of all the Directors for the time being in India, meetings of the Board shall take place at the office.

Head Office and Branches

The Board may establish Branch(s) of the Company at any place in India or abroad as they may think fit depending upon the work.

Committee of Administration

The Board shall delegate such functions as it deems fit for the administration and management of the affairs of the Company to the Committee of Administration under the Chairmanship of the Chairman of the Board and consisting of the other Members as follows:

CEO/MD

A Member of the Board nominated by MOS&PI

Company Secretary as Member Secretary

Committees

The Board may, from time to time, appoint Committees for the purpose of considering

and reporting of any of the affairs of the Company or carrying on or promoting any of the objects of the Company

Secretary of the Company ordinarily be the Secretary of the Board and the Committee of Administration; and

The Committee may appoint any other Officer of the Company as Secretary of the other Sub-Committees failing which the Secretary shall be the Secretary of such Sub-Committee, as well.

The Committee of Administration, in respect of all employees of the Company, may make Rules subject to approval by the Board to regulate conditions of Service including inter alia;

Recruitment, promotion and retirement;

Discipline, including suspension, removal, dismissal, appeals etc;

Grant of pay and allowances, leave retirement and terminal benefits;

Traveling allowances on tour/transfer; and

The establishment and maintenance of a Provident Fund and other funds for the welfare of the employees.

Income of the Company

The income and property of the Company, when so ever derived, shall be applied solely towards the promotion of its objects as set forth in the Memorandum.

Headquarter of the Organisation and other Offices

(a) The Company shall have a Headquarter and offices at other locations in India and abroad.

(b) At the time of adoption of these Articles there shall be only the Headquarter in National Capital Region.(The Headquarter is proposed to be set up in National Capital Region as the majority of Ministries requiring the services of ISCS are in the National Capital Region. Also, a large number of private sector survey agencies are in the National Capital Region). The Company may, from time to time with the prior approval of the Board, establish offices at such centers in India and abroad, as may be deemed necessary;

(c) The Company may, from time to time frame Rules defining the jurisdiction and

functions of other offices; and

(d) The Board of the Company shall be a directive, apex federation body, directing and coordinating the functioning of its offices.

Auditors

The Comptroller and Auditor General of India may appoint auditor/auditors of the Company. Sections 224 to 233 of the Companies Act shall regularize remuneration, rights and duties of the auditor(s).

Once at least in every year the books of account of the Company shall be examined by one or more Auditor or Auditors.

Accounts to be audited annually.

(a) the Auditor/Auditors of the company shall be appointed or re-appointed by the Central Government on the advice of the Comptroller and Auditor General of India and his/their remuneration, rights and duties shall be regulated by Sections 224 to 233 of the Act.

Appointment of Auditors

(b) The Comptroller and Auditor General of India shall have power:

Powers of the Comptroller and Auditor General

(i) to direct the manner in which the Company's accounts shall be audited by the auditor/auditors and to give such auditor / auditors instructions in regard to any matter relating to the performance of his / their functions as such;

(ii) to conduct a supplementary or test audit of the Company's accounts by such person/ persons as he may authorize in this behalf and for the purpose of such audit, to have access, at all reasonable times, to all accounts, Account Books, Vouchers, documents and other papers of the company, and, to require information or additional information to be furnished to any person or persons and in such form as the Comptroller and Auditor General may, by general or special order, direct.

(d) Any such comments upon or supplement to the Audit Report shall be placed before the Annual General Meeting of the Company at the same time and in the same manner as the audit report.

(e) The Auditors of the Company shall be entitled to receive notice and to attend any General Meeting of the Company at which any accounts which have been examined supported on by them are to be laid before the Company and may make any statement or explanation they desire with respect to the accounts.

The remuneration of the Auditors of the Company shall be fixed by the Company in General Meeting except that the remuneration of any Auditors appointed to fill any casual vacancy, may be fixed by the Directors and where his appointment has been made by the Central Government pursuant to sub article (1) of the last preceding Article 117 it may be fixed by the Central Government.

A certified true copy of the Accounts and the Auditor's Report shall be forwarded to MOS&PI.

CHAPTER 4

FUNCTIONS OF CONSULTANCY WING

Introduction

This chapter elaborates the points made in the earlier chapter. More specifically, this chapter gives the specific task, the Consultancy Wing i.e. India Statistical Consultancy Services/India Statistical Consultancy Services Limited will undertake.

4.1 Functions of Central Statistical Consultancy Service

The primary functions of the ISCS would be to

- i) Undertake methodology development, model building type of studies
- ii) Award studies to the meritorious private survey agencies
- iii) Monitoring of the studies awarded to the private survey agencies
- iv) Strengthening of the Indian Statistical System through involvement of the private agencies in conduct of studies of national importance
- v) Updation of database on survey capabilities of private agencies and verification of agencies

For the development of methodologies or for undertaking model building type of studies the Company may undertake National or International projects. It will have the freedom to get projects through competitive biddings. It may hire consultants/staff for specific projects or may even outsource some of the studies to different government organizations involved in survey related activities or even to some of reputed agencies in the private sector. As for the award of studies, the type of studies to be awarded will depend upon the demand coming from the sponsoring bodies; National or International. The studies would be largely those sponsored by the Central Government to fill data gaps in various sectors especially in the new emerging areas like communication, entertainment etc. The funds required for implementation of the studies will be provided by the Government. The Company may charge a certain percentage of fund, say 10%, for the services rendered.

The monitoring will involve

- i) Financial monitoring
- ii) Milestones monitoring

iii) Monitoring of the reports

The Company will have a clear role in the acceptance of the report but the ultimate acceptance of the report will be vested with the sponsoring body.

The Company will function as an effective interface between Government survey demand and execution of work by private survey agencies. It will sanction funds for the project work. Simultaneously, request for expression of interest, placing tenders, requirement analysis and preparing documents for sanction of funds will be the responsibility of the Company. It may also look into the aspect of capacity building of statistical staff of Government as also private agencies on specific requests. The proposals for studies will be sent in the agreement form to the CEO/CMD. Proposals costing upto Rs. 50 lakhs will be approved by the CEO/CMD. However, the proposals costing more than Rs. 50 lakhs will have to be approved by the Board of Directors.

4.2 Responsibilities of the officials of the company

Responsibilities of the officials of the companies would be as follows:

1. Group Managers:

Statistical Survey Group

- To assign a given survey task to appropriate survey agency
- To coordinate with the private survey agencies for execution of work, monitoring and acceptance of reports.
- Arranging Data users conference
- Monitoring or checking of the field work of the private agency.
- Report to the CEO

Economic Analysis Group

- To assign a survey related to economic activity to appropriate survey agency
- To coordinate with the private survey agencies for execution of work, monitoring and acceptance of reports
- Arranging data users conference
- Provide support to the survey group for monitoring work related to examination of schedules prepared, concretization of definitions and concepts to be used in surveys etc.

- Arranging data users conference
- Report to the CEO

Data Analysis Group

- To coordinate with the private agencies regarding execution of data analysis work, monitoring etc.
- Provide technical support to the survey group and the economic analysis group on aspects like preparation of data formats, files etc.
- Look into the requirements of data analysis
- Arranging data users conference
- Report to the CEO

2. Area Managers

- Area managers will look after the monitoring work
- Provide assistance to the respective Group managers on all the activities of the group
- Make efforts to upgrade their skills and expertise in the areas as are relevant to the groups in which they are working.
- Report to the General managers.

The staff of the ISCS will be drawn from the staff of MOS&PI and research institution having specialization in Statistics/Economics on deputation basis. Temporary project deployment of manpower will be through public/private/cooperative manpower bureaus, societies, voluntary organizations etc. This will not amount to employment in the company.

3. Administrators and Finance Persons

- Provide support for the efficient functioning of the consultancy wing

APPENDIX A
ADVANTAGES AND PROCEDURE OF REGISTERING A
COMPANY UNDER COMPANIES ACT, 1956/ SECTION 25 OF
COMPANIES ACT, 1956

Procedure of Incorporation of a Public Company

1. Requirements of formation of a public limited company
 - 1.1 A public company is one, which is not a private company. A company, which has not included in its articles the three conditions specified in the three clauses of S 3(1)(III), is a public company. Such a company does not:
 - (a) restrict the right to transfer of its shares;
 - (b) limit the number of its members to 50; and
 - (c) prohibit any invitation to the public to subscribe for any shares in, or debentures of, the company.
 - 1.2 Conversely speaking shares of such a company are freely transferable, it can have members in an unlimited number and it is free to invite the public to subscribe for its shares or debentures.
 - 1.3 The fact that the company is limited by shares, is stated in the memorandum and the use of the word 'Limited' in the name of the company indicates that the company is a limited company, that is, a company with limited liability. The absence of the word 'Private' in the name of a company indicates that the company is a public company, but the use of the word 'Public' is not necessary.
 - 1.4 Seven or more persons, associated for any lawful purpose, may, by subscribing their names to a Memorandum of Association, and otherwise complying with the requirements of the Act in respect of registration, form a public company, as an incorporated company limited by shares.
2. What is the procedure for incorporation of a Public limited company
 - 2.1 A public limited company is incorporated as a body corporate by the name contained in the Memorandum of Association, as made available by the Registrar of companies, (with the last word being 'Limited'), when it is registered by the registrar in accordance with the provisions of the Act and the rules and regulations made thereunder.
 - 2.2 A public limited company will be registered when the memorandum and articles of the proposed company (and certain other documents mentioned below) are presented for registration to the registrar of the state in which the registered office of the company is to be situated.

2.3 Procedure involved to incorporate a public limited company :

- (1) Availability of name : The first step for the registration of a public limited company is to select a name for the company. This is to be made available from the registrar of the state in which the registered office of the company is proposed to be situated.
- (2) Drafting memorandum : Draft a Memorandum of Association to be presented to the registrar.
- (3) Drafting of Articles of Association : Articles of Association need to be drafted and to be presented to the registrar. Section 33 of the Act requires that, the articles, if any, shall be presented to the registrar for registration in order to get a public limited company incorporated.
- (4) Stamping of memorandum and articles : Stamp Act of the state in which the proposed company is to be registered need to be checked as also the rates of the Stamp Duty payable on the memorandum and the articles. Printed copy of each of them stamped need to be obtained from the concerned Stamp Authority by franking or affixing adhesive stamps or otherwise as required under the relevant Stamp Act or the rules made under it. The stamped copies are required to be presented to the registrar.
- (5) Letter of Authority/Power of attorney : A Letter of Authority/Power of Attorney on a stamp paper of requisite value in favour of a director or some other person, such as company secretary or a chartered accountant in practice, authorizing him to make changes/corrections in the memorandum of articles as suggested by the registrar, to collect the Certificate of Incorporation, and to do all things and acts in connection with the incorporation of the company.
- (6) Filing of documents for registration : For registration of a public limited company, the following documents shall be submitted to the Registrar of Companies:
 - (a) The stamped and signed original memorandum and Articles of Association;
 - (b) A declaration of compliance with the provisions relating to registration, in Form No. 1;
 - (c) The letter communicating the availability of the name issued by the Registrar of Companies;
 - (d) Letter of Authority/Power of Attorney as stated at S.No. (5) above;

- (e) Form No. 32 in duplicate, in respect of the first directors named in the Articles of Association or, if not so named, in respect of the subscribers to the memorandum who are deemed to be the first directors under s 254;
- (f) Notice of the situation of the registered office of the company in Form No. 18;
- (g) The agreement, if any, which the company proposes to enter into with any individual for appointment as its Managing Director or whole-time Director or Managers;
- (h) Consent of the first Directors named in the Articles of Association in Form No. 29.

The Registration of company, now a days, is being carried out through on-line.

(7) Payment of registration fees : Pay the fees on the documents submitted to the Registrar of Companies at the rates prescribed under Sch X to the Act. The fees on the documents submitted shall be payable as follows :

- (a) Registration fee on the memorandum depending upon the amount of the authorized share capital state in the memorandum.
- (b) Filing fee on the articles.
- (c) Filing fee on Form No. 1.
- (d) Filing fee on Form No. 18.
- (e) Filing fee on Form No. 32.
- (f) Filing fee on Form No. 29.

(8) Collection of the Certificate of Incorporation : Collect the Certificate of Incorporation from the office of the Registrar of Companies. On the registration of the memorandum of a company, the Registrar of Companies shall certify under his hand, that the company is incorporated and, in the case of a limited company, that the company is limited.

Procedure of Incorporation of a Company Under Section 25 of Companies Act, 1956

The India Statistical Consultancy Services is meant to be an association not for profit then it should be registered under Section 25 of the Companies Act, 1956. An “Association not for profit” is an association which is formed not for making profits but for promotion of commerce, art, science, religion, charity or any other useful social

purpose. Such an association may or may not be registered as a company under the Companies Act. When such an association is registered as a company with limited liability, it may be given a license by the Central Government.

It is mandatory that the name of a limited company must end with the word 'limited' in case of a public company and with the words 'private limited' in the case of private company. However, Sec. 25 of Companies Act permits the registration under a license granted by the Central Government of, all 'associations not for profit with limited liability' without being required to use the word 'limited' or the words 'private limited' at the end of their names.

The Central Government may grant such a license if the following two conditions are fulfilled:

- (i) It is intended to form a company for promoting commerce, art, science, religion, charity, or any other useful object ;
- (ii) The company prohibits payment of any dividend to its members but intends to apply its profits or other income in the promotion of its objects.

When the above conditions are fulfilled, the Central Government may, by license, direct that the association may be registered as a company with limited liability without the addition to its name of the word "limited" or the words "private limited"

Such a company is registered without paying any stamp duty on its memorandum and articles. On registration, the association enjoys all the privileges of a company, and is subject to all its obligations except those in respect of which exemption by a special or general order is granted by the Central Government.

The license may be granted by the Central Government on such conditions and subject to such regulations, as it thinks fit, and such conditions and regulations shall be binding on the association to which license is granted. The Central Government may also require that such conditions shall be inserted in the memorandum or in the articles or party in the one and party in the other.

The Central Government may, by general or special order, exempt the association from such provisions of the Act as may be specified in that order.

Examples of companies which are for profits include Mohan Bagan Club, Gymkhana Club, Delhi District Cricket Association (D.D.C.A.) etc.

Partnership firm may become member – It may be noted that a partnership firm may become a member of such a company. However, on dissolution of the firm, its membership will come to an end.

Exemptions granted to section 25 companies – In exercise of the powers conferred, the Central Government has directed that a body to which a license is granted under section 25 shall be exempted, inter alia, from the following:

- The Secretary of such a company need not be possessing the qualifications of a Company Secretary.
- Section 25 companies are exempted from publication of name by the company.
- The annual returns of such companies to be filed with the Registrar of Companies need not include particulars regarding the names of members and the respective dates on which they became members and the names of persons who ceased to be members since the date of the annual general meeting of the immediately preceding year, and the dates on which they so ceased.
- Section 25 company may hold its annual general meeting on a day which is a public holiday. However, the time, date and place of each Annual General meeting must be decided upon beforehand by the Board of Directors having regard to the direction, if any, given in this regard by the company in general meeting.
- A general meeting of such a company may be called by giving a notice in writing of not less than 14 days as against a notice of 21 days.
- Minutes may be recorded within 30 days of the conclusion of every meeting where the articles of association provide for confirmation of minutes by circulation.
- Books of account relating to a period of not less than four years (as against eight years) shall be preserved.
- Documents relating to annual account may be sent not less than 14 days (as

against 21 days) before the date of the general meeting.

- The provisions of section 257 shall not apply to the companies whose articles provide for election of directors by ballot.
- Any increase in the number of Directors shall not require the approval of the Central Government.
- The provisions relating to the filing of consent to act as a Director with the company and with the Registrar of Companies is not applicable to such companies.
- The Board of Directors/Executive Committee/Governing Committee of such companies shall hold at least one meeting with every six calendar months (as against every three calendar months).
- The quorum for the Board meeting shall be either eight members or 1/4th of its total strength whichever is less provided the quorum shall not be less than two members in any case.

Procedure for formation of a Section 25 company-For establishing a company for charitable purpose and without the addition of the word “Limited” as part of its name, the promoters have to take the following steps to obtain permission of the Central Government.

- (1) An application has to be made to the Regional Director of the concerned region along with the following documents:
 - (a) Three copies of draft memorandum and articles of association of the proposed company.
 - (b) A declaration that all requirements pertaining to the formation of the company have been duly complied with.
 - (c) Three copies of list of names of the promoters as well as the proposed Directors together with the names of companies in which they are interested along with the relevant particulars.
 - (d) A statement showing the assets and liabilities of the association as on the date of the application or within seven days of that date.

- (e) An estimate of the future annual income and expenditure of the proposed company.
 - (f) A statement giving a brief description of the work proposed to be done after formation which must be non-commercial.
 - (g) A declaration that profits, if any, shall not be distributed by way of dividends but shall instead be used for furtherance of the cause for which the company has been established.
 - (h) A statement specifying briefly the grounds on which the application is made.
 - (i) A declaration by the applications regarding their competence to make the application.
 - (j) Evidence of the payment of the prescribed fees.
 - (k) Letter of authority to make any correction in the documents filed.
- (2) A copy of the application should also be filed with the concerned Registrar of Companies along with the prescribed enclosures.
- (3) Within one week of submission of papers, publish a notice of the application made to the Regional Director in a newspaper and send a certified copy of that notice to the Regional Directors.
- (4) The Regional Director, after satisfying that all the formalities have been duly complied with shall issue the necessary license.

Alteration of memorandum of an 'Association not for profits' – The company which has been granted license by the Central Government cannot alter the provisions of its memorandum with respect to its objects except with the previous approval of the Central Government signified in writing. If any alteration is made without the written approval of the Central Government the Government may revoke the license of such a body.

The license granted by the Government under section 25 may also be revoked by the Central Government at any time. However, before revoking the license, the Central Government shall give a written notice to the association indicating its intention to do so and shall give an opportunity of being heard in the matter. On revocation of the license, the association loses the exemption granted by such license and the Registrar shall enter the word 'limited' or words 'private limited' as the case may be, at the end of the name in

the register maintained by it.

APPENDIX B

Cost Estimates for the India Statistical Consultancy Services Limited/ India Statistical Consultancy Services

(i) Pay and Allowances

(Figures in lakh Rupees)

Designation (along with numbers)	Total emoluments (per month per person)	07-08	08-09	09-10	10-11	11-12	Total
CEO (1)	1.00	12.00	13.20	14.40	15.60	16.80	72.00
G.M. (3)	0.80	28.80	31.68	34.56	37.44	40.32	172.80
Area Manager (12)	0.60	86.40	95.04	103.68	112.32	120.96	518.40
Other staff including company Secretary (15)	0.40	72.00	79.20	86.40	93.60	100.80	432.00
Hiring of Consultants (20 man month)	0.50	10.00	10.00	10.00	15.00	15.00	60.00
Total	-	209.20	229.12	249.04	273.96	293.88	1255.20
(ii) T.A./DA		50.00	60.00	70.00	80.00	90.00	350.00
(iii) Contingencies							
(a) Recurring		40.00	50.00	60.00	70.00	80.00	300.00
(b) Non-recurring		10.00	15.00	20.00	30.00	40.00	115.00
Total							2020.20

Initial Office Establishment Cost (Including Hiring Office space, Telephone and Fax etc, Connectivity, Furnitures, Computers with peripherals, ACs etc.:

Rs. 130.00 Lakhs

- Hiring Office Space Rs. 4.00 lakh/ month × 12 = Rs. 48.00 lakhs
- Telephone, Fax, EPBX, Broadband Connectivity etc Rs. 7.00 lakhs
- Furnitures, Fixtures etc. Rs.10.00 lakhs
- Computers, Laptops, printers,
 UPS etc and other equipments Rs. 50.00 lakhs
- ACs etc. Rs. 15.00 lakhs

CORPUS FUND REQUIRED:

Rs. 2500 Lakhs