

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1715
ANSWERED ON:22.08.2012
ORGANISATIONAL RESTRUCTURING OF SEBI QUESTION
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Securities and Exchange Board of India (SEBI) has decided to appoint global consulting giant Oliver Wyman to advise it on organizational restructuring;
- (b) If so, the details of the agreement along with the details of payment for the service;
- (c) the details of the services to be undertaken by the latter; and
- (d) the details of time schedule for the service?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) Yes, Sir. SEBI has decided to appoint M/s. Oliver Wyman as consultant for 'Redesigning SEBI's Functions, Role, Structure and Vision'. M/s. Oliver Wyman has been selected as an independent consultant on the basis of recommendations of the Consultant Evaluation Committee (CEC) and as per the CVC guidelines.

(b) Though the Agreement with the consultant is yet to be signed, M/s Oliver Wyman obtained highest marks for the technical bid and their quote of Rs. 2.4 crore was the lowest amongst those who were technically qualified. The payments shall be made as specified in the Clause 4.18 of Request for Proposal (RFP) document, which reads as:

Sr.No.	Milestone	Timeline	Percentage of Payment
1.	Signature of contract agreement		10%
2.	Formulation of draft strategy and draft Re-organisation structure	4th month	20%
3.	Conducting Brainstorming session with senior management	5th month	15%
4.	Preparation of final outline of work	7th month	15%
5.	Preparation of final report	9th month	15%
6.	Completion of Program management	27m months	25%

/implementation

The above payments will be released within a month of clearance given by the Consultant Monitoring Committee (CMQ/SEBI).

(c) The details of the services to be undertaken by the consultant are defined in the RFP document under the heading Broad scope of Project and Deliverables, which are as under:

The consultant will understand the existing mandate, objectives, roles and functions of SEBI through various sources such as legislations related to securities markets, interviews with policy makers, market participants and other stakeholders etc. The consultant is required to develop various scenarios for the development of Indian securities markets, identify possible triggers for change, assess implications for market participants and envisage the role of SEBI in the Indian financial sector for a 5-10 year time horizon. This will also involve identifying specific areas for deepening the securities markets and studying the inter-linkages between SEBI and other regulatory bodies. This broad scope entails the following deliverables:

- a. Re-prioritize areas of focus,
- b. Organizational structure,
- c. Human Resources,
- d. Technological Resources,
- e. Sharing of regulations and oversight with SROs,
- f. Co-operation with external agencies; and
- g. Implementation.

(d) The duration of the project is 27 months. During the first nine months, the consultant will be required to submit a final report and during the next 18 months, provide project management support for implementation. The time schedule for completion of the project as specified in the RFP document is given below:

Sr.No.	Milestone	Duration	Timeline
1.	Signature of contract/agreement		
2.	Formulation of draft strategy and draft Re-organisation structure	4 months	4th month
3.	Conducting Brainstorming session with senior management	1 month	5th month
4.	Preparation of final outline of work	2 months	7th month
5.	Preparation of final report	2 months	9th month
6.	Completion of Program management /implementation	18 months	27 months