

# Prowess Database by the Centre for Monitoring of the Indian Economy

Prowess is a firm level database which contains information on approximately 10,000 large and medium size Indian firms. The database is maintained by the Center for the Monitoring of the Indian Economy (CMIE). CMIE is an independent economic think tank which has its headquarters in Mumbai, India. Of the databases and research reports that CMIE provides access to, the Prowess database is the most comprehensive in terms of depth of information.

In order to be included in the database the firm needs to be either a listed company or if it is a public limited company it needs to satisfy the condition  $\frac{\text{Income} + \text{Liabilities}}{2} = 200$  million Indian Rupees. The firms in the Prowess database include companies which are traded on India's major stock exchanges and others such as the central public sector enterprises. The database covers most of the organised industrial activity, banking, organized financial and other services sectors in India. The firms in the database account for 75% of all corporate taxes collected by the Indian government, more than 95% of excise duty and 60% of all savings of the Indian corporate sector.

The company level data in Prowess is gathered from annual accounts of the companies and from other sources such as stock exchanges, roc associations, etc. The number of indicators per company is close to two thousand and the information is usually available for ten years. Prowess also provides a normalization of the firm level data across companies and over time. For industry analysis, Prowess has 140 industry groupings with industry wide income and expenditure statements, balance sheets, ratio analysis, benchmarking of industry averages as well as inter and intra industry comparisons. It is also possible to create user defined industry groups or any set of groups within Prowess to carry out the industry analysis. Prowess also generates numerous reports for the firms in the database, as well as providing querying and charting facilities and a textual search tool.

Prowess contains information on the products manufactured and traded by the firms such as product details, trends in capacity, trends in production, trends in capacity utilization and trends in sales. It also contains information on raw materials consumed, plant location, total energy consumption, product wise energy consumptions, capital history details, bonus issues, dividend issues and news abstracts. It includes also background information for the firm such as contact and basic information, investors information, chairmans speech, energy conservation note, technology absorption note and the corporate governance note. Each firm's auditors, bankers, registrars and ratings, its board of directors, equity holding patterns and details, directors report and events are also provided.

Financial analysis in Prowess contains the income, expenditure, profit and loss summaries, liabilities, assets, cash flow, cost analysis, investment schedule, growth indicators, inventory/working capital cycle analysis, sources and uses of funds, profitability ratios, liquidity ratios, asset utilisation ratios, structure of assets/liabilities, banking disclosure, notes to accounts and auditors qualifications, accounting policies and audited segment wise results for the individual firms. Interim results (quarterly and half yearly) are also available. Concerning share prices and indicators it has information on unadjusted daily share prices, adjusted daily share prices, trading volumes, daily stock indicators, investment indicators and stock return analysis.

The Prowess database is comparable to the Compustat dataset for US companies, although it does not cover as many firms or provide indicators over as long a time period as does the Compustat dataset. In terms of standardization of data across companies and over time as well as the depth of information regarding individual firms, Prowess is, however, fairly comparable in providing firm level information for Indian firms to researchers.