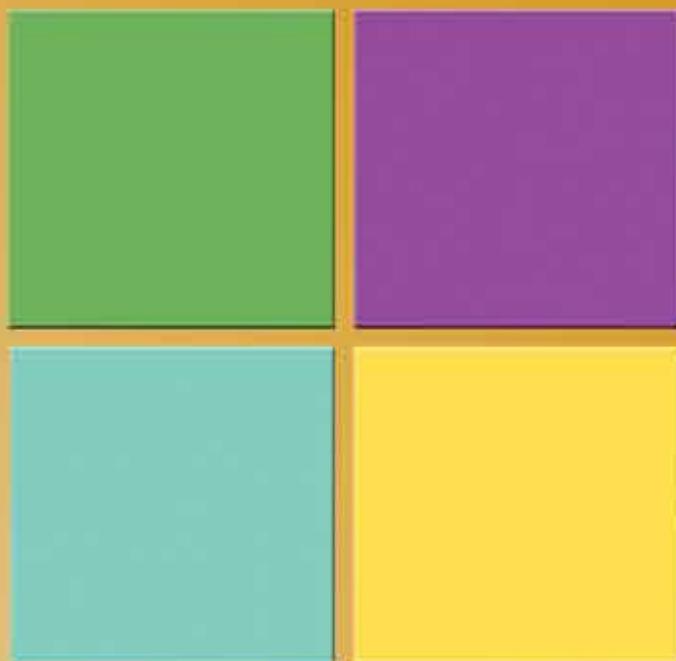


Annual Report 2012-13



NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY
NEW DELHI





ANNUAL REPORT
2012-13



National Institute of Public Finance and Policy
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From the Director's Desk

In 2012-13, National Institute of Public Finance and Policy completed thirty seven years of contribution to applied research, advocacy, and capacity building in the area of public economics and macrofinance. The Institute continued to build upon its mandate of providing research support for policy making to the central and state governments. On its path to become an academic institution of global pre-eminence, the Institute maintained and strengthened partnerships with bilateral and international development agencies and academic institutions to pursue its research and training agenda.

*The Institute's core research is focused on revenue enhancement, control of public expenditure and prudent management of national resources. For the year 2012-13 the NIPFP has to its credit 17 completed studies, many of them bearing reform implications, while another 13 are underway. 20 Working Papers were also produced as part of Institute's research work (Details at **Annexure I**).*

The NIPFP faculty served in various policy advisory groups and professional and expert bodies. They remained associated with capacity building activities and coordinated national and international training programmes and events to enhance awareness of administrators and practitioners, and academic community in the area of public finance. NIPFP's research findings were disseminated through seminars, conferences, lecture series, workshops, and policy dialogues.

The Fourteenth of the Finance Commissions set up by the Government of India every five years became operational with two Members on the Commission hailing from the

NIPFP faculty. The objective of the Commission is to work out the distribution of fiscal resources within the framework of a detailed fiscal restructuring plan.

The Financial Sector Legislation Reforms Commission which was provided secretariat and research support by NIPFP submitted its final report to the government during March, 2013.

It gives me pleasure to provide below an overview of the Institute's activities during 2012-13:

BOARD OF GOVERNORS - RECONSTITUTION

The Board of Governors of NIPFP during its meeting on April 3, 2012 reconstituted the Governing Body for a period of **four** years, i.e. from April 5, 2012 to April 4, 2016.

Dr. C. Rangarajan continues to be the Chairman of the NIPFP Governing Body. The Ministry of Finance is represented by Shri Sumit Bose, Revenue Secretary; Shri Arvind Mayaram, Secretary Economic Affairs; and Dr. Raghuram Rajan, Chief Economic Adviser. The Reserve Bank of India is represented by Mrs. Balbir Kaur, Advisor, Department of Economic and Policy Research. Ms. Sindhushree Khullar, Secretary represents the Planning Commission. The representatives of the sponsoring State governments are: Dr. V.P. Joy, IAS, Principal Secretary, Finance Department, Kerala; Shri Paban Kumar Borthakur, IAS, Commissioner and Secretary, Finance Department, Assam; and Shri S.K. Shrivastava, Principal Secretary (Finance), Government of Maharashtra. Under Rule 7(b)(vi) Shri Rakesh Jha is the nominee from the ICICI Bank; under Rule 7(b)(vii) Shri R.N. Dhoot, President, Associated Chambers of Commerce and Industry of India and Ms. Naina Lal Kidwai, President, FICCI, are co-opted members. Three eminent economists are represented by Professor Pulin B. Nayak from Delhi School of Economics; Dr. D.K. Srivastava; and Dr. Sudipto Mundle, Emeritus Professor, NIPFP. Representatives from collaborative institutions are: Dr. Shekhar Shah, Director General, NCAER; Dr. S.K. Rao, Director General, Administrative Staff College of India; and Dr. Pratap Bhanu Mehta, President and Chief Executive, Centre for Policy Research. Shri Subodh Kumar Agarwal, President, Institute of Chartered Accountants of India was co-opted as a member on the Governing Body.

Vide Rule 7(b)xi, Dr. M. Govinda Rao, Director and later Dr. Tapas Sen, Acting Director were the ex-officio members; and Dr. Ms. Poonam Gupta, Professor at NIPFP by rotation. Under Rule 7(b)xii Special invitees during 2012-13 were Dr. (Ms) Poonam Kishore Saxena, Chairperson CBDT, Ministry of Finance and Ms. Praveen Mahajan, Chairperson CBEC, Ministry of Finance (Details at **Annexure III**).

PROJECTS COMPLETED AND ONGOING

Over the years, NIPFP's background research has played meaningful roles in the fiscal and financial policymaking of the country. The year 2012-13 remained productive and

satisfying, the Institute having completed 17 study reports with another 13 making steady progress. Two new projects were initiated. The Institute also produced 20 Working Papers. A large majority of the research work addressed issues and questions of the central and state governments, Planning Commission, Fourteenth Finance Commission, central ministries, thus creating a reform climate. Some studies were carried out in collaboration with foreign universities, global foundations or private agencies to augment overall macroeconomic development.

The **Macro Economic Policy Modeling Project for the 12th Plan Period**, is an ongoing umbrella project under which the NIPFP has been addressing policy issues that are relevant and suggested by the Planning Commission. Researchers prepared a report on the possible impacts of rising gold imports as well as oil prices on the CAD on other important macro-economic variables over the 12th Five Year Plan using the Macroeconomic Policy Stimulation Model called NIPFP-MPSM. The NIPFP-MPSM team is also slated to collaborate with a RBI team to work on developing monetary and external blocks that would eventually integrate in the core macro model of the Institute. The impact of high CAD and various levels of WPI on the growth and other macro variables in the 12th Plan as well as in the Annual Plan 2013-14 are being further analysed. Another study is working on **Macro Economic Analysis, Fiscal Policy and Forecasting** to estimate fiscal multipliers for revenues and expenditures and to prepare a framework for forecasting of inflation in the short to medium term.

A research study, **Subsidy Elimination with and without a Global Price Shock: The Macroeconomics of Oil Price Policy Reform** attempted to trace the linkages through which a change in the global price of oil impacts macroeconomic outcomes and quantifies these impacts.

The NIPFP's **Research Programme with UIDAI** analysed the utilisation of funds on various flagship schemes. The idea was to improve the knowledge of UIDAI on public policy challenges to expand financial inclusion in India. A team comprising economists and lawyers provided economic policy and legal inputs to the **Financial Sector Legislative Reforms Commission** which submitted a final report to the government. The Commission with its secretariat at NIPFP worked on issues like capital control laws, securities and regulations, to facilitate the government to draft appropriate laws to evolve a modern financial sector.

Policy Analysis in the Process of Deepening Capital Account Openness sponsored by the British Foreign and Commonwealth Office has been involved in the assessment of the impact of policy regime shifts on emerging economies. This project led to the completion of two analytical reports, **Financial inclusion and transition of business cycle: stylised facts in emerging economies: Insights from India**; and **Effect of Exchange Rate Movement on Domestic Prices: Role of Non-traded Sector in India**. Several members of this research team are also engaged in **Research on Business Cycles** for India Value Fund Associates.

The NIPFP-DEA Programme will continue to add to the understanding of macroeconomic developments in an open economy environment and provide a research-oriented policy support framework for topical issues that are of concern to the Ministry of Finance.

A landmark study, **Black Economy in India** was submitted to the Finance Ministry. The interim report focused on the sources and methods of generation of black money and made useful policy recommendations to control tax evasion.

In collaboration with Columbia University, USA, the Institute prepared a **Program on Indian Economic Policies: Free Trade, Democracy and Entrepreneurial Development** to examine the differential growth performance across lagging or leading States in India.

Diesel Pricing in India: Entangled in Policy Maze threw considerable light on the impact of changes in diesel and/or petroleum prices including taxes and subsidies was explored along a few dimensions with suggestions on reform imperatives.

The RBI Chair Professor, wrote some interesting and analytical papers: **Criminals in Elections: Evidence from India** and examined the response of voters towards candidates with criminal charges and background. Her paper on **Export of Services: The Indian Experience** surveyed India's experience with exporting services. A study on **The Real Exchange Rate and Export Growth: Are Services Different?** considered the determinants of service exports, distinguishing between modern and traditional services.

Effective work in the area of environmental economics was also undertaken. The creation of a National Clean Energy Fund by the Ministry of Finance led to completion of a study, **Promoting Effective Utilisation of the National Clean Energy Fund** by NIPFP with the purpose of providing a detailed framework for promoting optimal utilisation and administration of NCEF. A **Base Paper for the Committee to Study Development in Hill States arising from Management of Forest Lands** focused on livelihood and human development and measures to facilitate creation of infrastructure in Hill States. On a corresponding note, the NIPFP was assigned the task of preparing a **Forest Disability Index for Hill States in India** for developing a methodology for constructing a "cost-disability" index with focus on hill States in India and to illustrate a methodology by constructing indices of hill States.

NIPFPs research team testified before the Empowered Committee of Finance Ministers revenue implications of GST in a meeting held at Bhubaneswar. The study on **Estimation of Revenue Neutral GST rates** is likely to take the discussion forward for the purpose of evolving the structure of GST. A research team is also estimating the **Revenue Potential for Himachal Pradesh: An Assessment and Suggestions for Reform** at the request of the State Government of Himachal Pradesh.

Review of Compliance with Provisions in the FRBM Act of Odisha 2011-12 evaluated the State finances as projected in the previous budget and the budget outturns in the

Finance Accounts for the year, in view of the fiscal targets of the FRBM Act. At the instance of the Government of Meghalaya, the **12th Five Year Plan of Meghalaya** is under preparation.

A study on **Fiscal and Monetary Policy aspects under Framework of Energy Efficient Economic Development Mechanism of National Mission for Enhanced Energy Efficiency** sought to develop innovative instruments and measures to promote energy efficiency across the country.

The impact of fiscal policy at the firm level is a rare area of research. **Competitiveness of Zinc-lead Mining in India: Role of Royalty Regime** commissioned by Vedanta Sterlite (Industries) Ltd., analysed the mining royalty mechanism of Zn-Pb sector.

The NIPFP continued to work in the area of Health Care. Under a broad project, **Financing Health Care Expenditure in India** awarded to NIPFP by Ministry of Health and Family Welfare, a study was completed to analyse the **National Rural Health Missions's Expenditure at the State Level: with Focus on Rajasthan and Karnataka**.

An ongoing study, **Assessment of the Riskiness of the Airport Sector and Estimating Fair Rate of Return on Equity**, is making equity evaluation for the setting up of five major private airports in Mumbai, New Delhi, Hyderabad, Bangalore, and Cochin.

The year witnessed initiation of two new projects, **Tax Policy and Enterprises Developing in South Asia**; and **Unspent Balances under Rural Development Schemes**. (Details of all projects at **Annexure I**)

FACULTY HIGHLIGHTS

Members of Institute's faculty continued to serve governmental committees, commissions, and expert groups to enhance the growth of the Indian economy and for calibrating fiscal reforms at all levels of government. The Chairman of NIPFP, Dr. C. Rangarajan continued to chair the Economic Advisory Council of the Prime Minister. He was also Chairman of PM's Expert Group to Review the Methodology for Measurement of Poverty; Member, Committee on the Trade and Economic Relations; Member Apex Council for G20; and Member, Committee on Climate Change.

Dr. M. Govinda Rao, while completing his extended tenure as Director NIPFP was called upon by the Government of India to join the Fourteenth Finance Commission as a Member. As Director NIPFP, he worked as Member in the: Economic Advisory Council to the Prime Minister; Financial Sector Legislative Reforms Commission; High Level Expert Committee on Universal Health Coverage; High Level Expert Committee to suggest Measures for Efficient Management of Public Expenditure – Planning Commission; RBI Southern Area Local Board; Advisory Group of Eminent Persons to advise the Finance Minister on G-20 Matters; Steering Committee on Financial Resources; Committee to Study Hill States arising from Management of Forest Lands

with Special Focus on Creation of Infrastructure, Livelihood and Human Development; Committee to examine interest relief to States in respect of NSSF Loans and write-off of central loans administered by ministries/departments other than Ministry of Finance in terms of the recommendations of Finance Commission XIII.

He was also Chairman, Committee to Cost Disabilities in Services across States and Unit Cost of Services, and Chairman of the Working Group on Debt Management Office, constituted by FSLRC. He retained his position as non-official part-time Director on the Boards of Rural Electrification Corporation and National Thermal Power Corporation Ltd.

Dr. Sudipto Mundle, Emeritus Professor was appointed Member of the Fourteenth Finance Commission in February 2013. Prior to joining the 14th Finance Commission, he either completed his tenure in, or relinquished some other positions that he was holding as: Member and Acting Chairman, National Statistical Commission; Member Technical Advisory Committee on Monetary Policy of RBI and Member, Bihar State Industrial Investment and Advisory Council, Patna.

Dr. Ajay Shah and Dr. Ila Patnaik, Professors, continued to co-manage the NIPFP-DEA Research Programme meant to address larger questions of fiscal, financial, and monetary policy in an open economy setting and to provide support framework for topical issues that are of concern to the Ministry of Finance. Along with a research team, they also collaborated with the Unique Identification Authority of India to provide research inputs to address policy challenges in expanding financial inclusion in India.

*Furthermore, Dr. Ajay Shah and Dr. Ila Patnaik with assistance from a research team gave economic policy and legal inputs to the **Financial Sector Legislative Reform Commission** based at the Institute which submitted its final report to the Government in March, 2013.*

Dr. Ajay Shah was appointed as a Member in the Expert Group for deriving seasonally adjusted series for short term economic data. He continued to be a Member in the Advisory Group on Financial Inclusion, Department of Financial Services in the Ministry of Finance; and Director on the Boards of Gujarat State Fertilisers and Chemicals Ltd.; Centre for Monitoring Indian Economy; and the Clearing Corporation of India.

Dr. R. Kavita Rao was Member, Governing Body of Centre of Excellence, National Academy of Customs and Narcotics; and Study Group on Special Economic Zone (SEZ), Directorate General of Export Promotion, Government of India. As a mentor, she facilitated probationers from Indian Statistical Service in preparing a research paper on Macroeconomic and Fiscal Policy as part of their induction training at National Academy of Statistical Administration.

Dr. N. R. Bhanumurthy, Professor, continued to work as Member in the Expert Group to Develop Methodology for Computing an Index of Infrastructure Development and in the

Advisory Committee on National Accounts Statistics, Central Statistical Organisation, both constituted by the Ministry of Statistics and Programme Implementation.

Dr. Pinaki Chakraborty retained his erstwhile membership in the Committee to Measure Cost Disabilities in Services Across States and Unit Cost of Services set up by the Ministry of Statistics and Programme Implementation and in the Working Group on Centre's Financial Resources in connection with Formulation of the 12th Five Year Planning constituted by the Planning Commission. He was nominated as a mentor to the probationers of Indian Statistical Services to write a research paper on Macroeconomic and Fiscal Policy as part of their induction training at National Academy of Statistical Administration, Greater Noida.

Dr. Mita Choudhury, Associate Professor, is a Member of the Advisory Group to the Health Financing Team at the National Health System Resource Centre (NHSRC), Technical Support Institution with National Rural Health Mission, Ministry of Health and Family Welfare.

Dr. Rudrani Bhattacharya, Assistant Professor, is Member in the Expert Group for deriving seasonally adjusted series for short term economic data under National Statistical Commission.

CAPACITY BUILDING PROGRAMMES

*As in the past, and in consonance with the objectives and mandate of the Institute, NIPFP continued to organise capacity building programmes. The calendar of training programmes for 2012-13 was focused on training government officials and College and University Teachers. The fiscal year began with a training programme on **Fiscal and Monetary Policy** for the 33rd batch of Indian Statistical Service probationers. There were two one-week training programmes on **Public Finance** for officer trainees of the Indian Economic Service. NIPFP's annual capacity building programme to enhance the quality of teaching of university and college teachers from South Asia included participants from Bangladesh, Pakistan, Sri Lanka and Nepal. Dr. (Ms) Isher Ahluwalia, Chairperson, ICRIER delivered the inaugural address of this 4 weeklong programme.*

*At the behest of the Department of Personnel and Training, a training programme was scheduled for mid-career Civil Accounts Officers. The NIPFP was called upon by Lal Bahadur Shastri National Academy of Administration to impart a one-week training programme on **Fiscal Policy and Macro Economic Management** to IAS officers and officers working under Central Staffing Scheme.*

*The NIPFP also conducted a training programme, **Role and Scope of Environment Economics in Sustainable Development** for Indian Forest Service Officers for the Ministry of Environment and Forests, Government of India. Basic concepts of*

environmental economics and empirical case studies for management of natural resources and sustainable development were taught and discussed in the above course.

*Furthermore, there were workshops, conferences, and seminars to incorporate administrators and practitioners on different aspects of public economics. The Finance Ministry's focus on systemic reform of service delivery especially for core subsidies like kerosene, LPG, and fertiliser, and to support the payment of MG-NREGA, old age, widow and disability pension and scholarships directly to the beneficiary accounts has now shifted to implementation of the Aadhar enabled delivery system. NIPFP with the support of the World Bank discussed the lessons learnt from pilot projects to chart a roadmap of scaling up Aadhar based service delivery including cash transfers through a workshop, **Integrating UID into Social Programmes and Improving Service Delivery.***

*NIPFP and University of Columbia's collaborative study, **Growth Performance of India States** which had examined the variations in growth rates across various States in the*



*Indian Union and focused on reforming States such as Andhra Pradesh, Gujarat, and Bihar was presented in a conference at New Delhi on **Growth, Poverty, and Human Development in Indian States: Selected Issues.** Sessions spanning over two days discussed economic growth, poverty, transformation, development expenditure policies, infrastructure, and factors that impede growth in the lagging regions. Lead researchers of the study were Arvind Panagariya from School of International and Public Affairs at Columbia University and M. Govinda Rao, Director, NIPFP, as also Pinaki Chakraborty, Professor at NIPFP. (Pics below)*



A half-day workshop, **Fiscal Federal Issues in India** was conducted to contribute suggestions for the terms of reference for the Fourteenth Finance Commission operative for the period 2015-20. The discussions revolved around the country's standing problems with particular focus on federal fiscal arrangements, challenges in equity, fiscal responsibility and management, and debt sustainability and focused on the needs of special and non-special category States of India.

Promoting Effective Utilisation of the National Clean Energy Fund (NCEF) was a consultation workshop based on the NIPFP study with the same title that brought together experts, policymakers, regulators, and academicians from the area of environmental management to discuss issues related to leveraging NCEF for development of a clean energy industry. (See pics above)

The NIPFP hosted a weeklong workshop for a delegation of **Commission on Revenue Allocation, Kenya** with the objective of sharing knowledge on inter- governmental fiscal relations and methods in India. The delegation undertook an educational trip to Kerala to study the process of decentralisation in the State.

Capacity Development of Environmental Fiscal Reforms, was a workshop conducted by NIPFP to suggest a roadmap and action plan for capacity development and awareness for environmental fiscal reforms through taxation and pricing measures, and resource generation.

The **5th Annual Dr. Raja Chelliah Memorial Lecture** was delivered by the eminent scholar, Jorge Martinez -Vazquez, Regents Professor of Economics and Director International Studies Program, Georgia State University, USA on "The Growth-Equity Trade-off in Tax Policy Design: Evidence from a Large Panel of Countries". Hon'ble Finance Minister C. Chidambaram chaired the event. The lecture was attended by eminent people from all walks of life and media personnel.

As an annual feature the Institute held a corresponding conference on **Papers in Public**



Economics (PIPE). Several young scholars, presented papers on various current issues that were discussed by academicians in this two-day conference.

The NIPFP for the third consecutive year co-organised the **Delhi Economic Conclave. The Conclave of 2012** revolved around the theme of **Reviving Growth**. In the context of the current global economic conditions and increasing uncertainty about global recovery, this international conference was organised in collaboration with Ministry of Finance and Confederation of Indian Industry. Three satellite conferences were held alongside by Madras School of Economics and South Indian Chamber of Commerce and Industry; Indian Institute of Foreign Trade; and Delhi School of Economics.

The NIPFP, jointly with JNU, and Faculty of Economics, Kagawa University organised a conference on **Economics Theory and Policy** with the objective of discussing analytical papers in the area of applied economics.

International speakers of the year's (2012-13) in-house seminars included, Sanjeev Gupta, Deputy Director, Fiscal Affairs Department of the IMF who gave a seminar on **Income Inequality and Fiscal Policy**; Tarun Ramadorai, Professor at Said Business School, University of Oxford presented a seminar titled, **Understanding India's Equity Trading Behaviour**; and Professor Stanley L. Winer from Carleton University who spoke on **Taxation of Inherited Wealth and Bequests: An Empirical Investigation** based on a coauthored paper (Details of seminars in-house at **Annexure II**).

DEVELOPMENTS

The NIPFP campus comprising of an academic block, a research and training centre, an office, residential quarters, a hostel, and surrounded by lush green lawns is maintained and manicured on a regular basis. NIPFP's IT Centre is technically well equipped and augmented from time to time to serve the needs of the Institute's faculty and staff. The NIPFP Library as a repository of fiscal books, offers an environment conducive to the pursuits of scholars and researchers, and enriches its collection of books and documents on a continuous basis.

The NIPFP's Publication Unit is engaged in disseminating the Institute's research findings through production and publication of books, study reports, newsletters, working papers, and brochures.

The Governing Body of the Institute under the chairmanship of C. Rangarajan met twice during the year 2012-13 to provide policy guidance and support to the Institute's academic and financial pursuits.

Dr. M. Govinda Rao relinquished the post of Director after serving the Institute for a period of more than 10 years in February 2013. Dr. Tapas Sen took over as Acting

Director during the interim period prior to the joining of Dr. Rathin Roy, current Director and previously Regional Manager, Asia Pacific Regional Centre, UNDP.

Mr. Deepak Rana, Accounts Officer left the Institute; Mrs. Romasha Mishra Pandey joined as Accounts Officer. Mr. Bharatee Bhusana Dash, Economist was recipient of a Ph.D degree in Economics from the University of Hyderabad. Mr. Siva S. Chidambaram, Sr. Library and Information Officer received a Ph.D degree in Library and Information Science from the University of Rajasthan, Dr. Surajit Das, Assistant Professor left the Institute to join Ambedkar University. Ms. Madhavi Pundit, Assistant Professor left NIPFP to join the Asian Development Bank.

Mr. Hari Shankar Tiwari, Hostel Manager, Mrs. Sudha Saxena, Assistant Library and Information Officer; Mrs. Annamma George, Jr. Library Attendant; and Mrs. Palayee, Gardener, attained superannuation during the year under review.

2 RESEARCH ACTIVITIES

During 2012-13, the Institute completed and submitted some studies that were undertaken in the previous years while initiating and taking forward new projects. Outlines of the themes of principal studies are given below:

FISCAL STUDIES OF CENTRAL AND STATE GOVERNMENTS

ON-GOING STUDIES

- **Study on Unaccounted Income/ Wealth both Inside and Outside the Country**
R. Kavita Rao, Sacchidananda Mukherjee, D.P. Sengupta, Sudhanshu Kumar, S. S. Khan, Sudatta Banerjee, Suranjali Tandon, Deborshi Brahmachari, Shreyas Tirunagar, Krishna Dev

Draft report submitted in December 2012. Comments received, and final report to be submitted shortly.

- **Revenue Potential of Himachal Pradesh: An Assessment and Suggestions for Reform**
R. Kavita Rao, Sacchidananda Mukherjee, D. P. Sengupta, Deborshi Brahmachari, Suranjali Tandon

The objective of the study is to estimate the revenue potential for Himachal Pradesh and prescribe policy measures required to tap the potential.

- **Estimation of Revenue Neutral Rate at the State Level**
R. Kavita Rao and Pinaki Chakraborty

This study estimates the revenue neutral rate of GST at the State level, based on the latest information available on revenue from service tax and State level VAT.

MACRO ECONOMIC AND FINANCIAL SECTOR POLICY STUDIES

COMPLETED STUDIES

- **Impact of Gold on CAD and other Macroeconomic outcomes in 12th Plan Period** *Sudipto Mundle, N.R. Bhanumurthy, Sukanya Bose, Surajit Das.*

At the instance of the Planning Commission, this study evaluated the possible impacts of rising gold imports as well as oil prices on the CAD and other important macroeconomic variables during the 12th Five Year Plan period. The study identified policy options to contain the CAD at 2.5 per cent by the end of 12th Plan and indicated the other macroeconomic outcomes related to these options.

- **Subsidy Elimination With and Without a Global Price Shock: The Macroeconomics of Oil Price Policy Reform** *Sudipto Mundle, N.R. Bhanumurthy, Sukanya Bose*

Oil is a strategic commodity. The disruption of oil supplies, a quantity shock, can drive an economy to a grinding halt. The price of oil is an equally sensitive subject, both internationally and at home. Whenever global oil prices increase, it triggers a spike in inflation. In India, where the domestic price of most oil products are still largely administered, whenever global oil prices rise, the government is faced with a dilemma whether or not to pass on the price increase to domestic consumers. The oil price policy debate is often animated but rarely takes into account the complex mechanisms through which changes in the global price of oil affect macroeconomic outcomes such as inflation, growth, and the fiscal deficit. This study was undertaken to inform the policy debate by doing precisely this. It traced the linkages through which a change in the global price of oil impacts macroeconomic outcomes and quantified these impacts. The main channels through which the impact plays out were integrated into an empirically estimated macroeconomic model. The estimated model was then used to simulate different policy and oil price shock scenarios: a one shot full pass through without a global oil price increase, a gradual pass through without a global price increase, a one shot full pass through with a global price increase, and a gradual pass through with a global price increase. The main policy conclusions that emerged from a comparison of these simulation exercises suggest that a full pass through is desirable for fiscal consolidation and macroeconomic stability, as also to eliminate distortions in resource allocation. However, it would be prudent to eliminate the subsidies in a phased manner, rather than in a single shot, to avoid excessive macroeconomic instability.

- **NIPFP-UIDAI Program on Financial Inclusion** *Ajay Shah, Ila Patnaik, Madhavi Pundit, Suyash Rai, Sumathi Chandrasekaran, Smriti Parsheera, Shubho Roy, Kumar Anand, Neena Jacob*

NIPFP collaborated on a research programme with the Unique Identification Authority of India (UIDAI) to improve knowledge through original research on public policy challenges to UIDAI in expanding financial inclusion in India. This included understanding the interface between the banking system, payments system, and challenges with the present regulatory framework for financial inclusion.

- **Research Inputs for the Financial Sector Legislative Reforms Commission (FSLRC)** *Ajay Shah, Ila Patnaik, Madhavi Pundit, Suyash Rai, Shubho Roy, Radhika Pandey, Sumathi Chandrasekaran, Smriti Parsheera, Kausalya Venkataraman, Kumar Anand, Pratik Datta, Apoorva Ankur Mishra, Sowmya Rao, Ankur Narain Saxena, Amol Kulkarni, Bhavna Jaisingh, Aishwarya K, Parikshit Kabra, Neena Jacob.*

The FSLRC was given the mandate of rethinking and rewriting the entire gamut of Indian financial sector laws. The Macro Finance Group at NIPFP provided research services on an ongoing basis to the Commission. NIPFP provided economic, policy and legal inputs to the FSLRC on a wide range of issues like capital control laws, securities, and regulation.

- **Policy Analysis in the Process of Deepening Capital Account Openness** *Ajay Shah, Ila Patnaik, Rudrani Bhattacharya, Madhavi Pundit, Radhika Pandey, Apoorva Gupta, Shekhar Hari Kumar, Vikram Bahure, Neena Jacob*

Emerging economies differ from developed countries in terms of consumption pattern, presence of large and segmented informal sector, heterogeneous production technologies, under developed stage of the domestic financial system and at the same time, increasing level of financial market integration. To assess the impact of policy regime shifts on such an economy, modelling these features explicitly in a general equilibrium framework and analysing the short and medium term dynamics of the economy driven by these features are necessary. In the context of this ongoing project, the following analytical reports were submitted to the British Foreign and Commonwealth Office.

- **Financial Inclusion and Transition of Business Cycle - Stylised Facts in Emerging Economies: Insights from India** *Ila Patnaik, Rudrani Bhattacharya, Radhika Pandey*
- **Effect of Exchange Rate Movement on Domestic Prices: Role of Non-traded Sector in India** *Ila Patnaik, Rudrani Bhattacharya, Madhavi Pundit*

ON-GOING STUDIES

- **Approaches for Controlling the CAD during 12th Plan Period** *Sudipto Mundle, N.R. Bhanumurthy, Sukanya Bose.*

The purpose of this study is to analyse the possible future scenarios for the Indian economy in the 12th Plan period (2012-13 to 2016-17) and beyond. An attempt is being made to analyse the impact of high CAD and various rates of WPI inflation on growth and other macro variables in the 12th Plan period as well as in 2013-14.

- **Macroeconomic Analysis, Fiscal Policy, and Forecasting** *Sudipto Mundle, N R Bhanumurthy, Sukanya Bose, Shovanbrata Talukdar*

The two objectives of this project are:

- To estimate fiscal multipliers for various revenues and expenditures by using a macro model
- Prepare a framework for forecasting of inflation in the short to medium term with the help of automatic leading indicator approach.

- **Research on Business Cycles** *Ajay Shah, Ila Patnaik, Madhavi Pundit, Rudrani Bhattacharya, Radhika Pandey, Vikram Bahure*

To conduct new research on business cycle phenomena in India, the project is sponsored by the India Value Fund Associates.

- **NIPFP-DEA Research Programme** *Ajay Shah, Ila Patnaik, Rudrani Bhattacharya, Bhavna Jaisingh, Shekhar Hari Kumar, Vikram Bahure, Pramod Sinha, Pinaki Mahata Mukherjee, Aishwarya Kumar, Apoorva Gupta, Sumathi Chandrasekaran, Karan Anand, Akhilesh Kumar Verma, Akhil Dua, Shreeya Kashyap, Aakriti Mathur, Suranjana Soumen.*

This is the outcome of the third MoU signed on 7th March 2012 between the NIPFP and the Department of Economic Affairs (DEA), Ministry of Finance, Government of India to take the NIPFP-DEA Research Programme further. The research programme aims to provide research inputs to approach several new challenges that face DEA and the Ministry of Finance. The reforms framework as established under several expert committees and as conceived by the Ministry consists of several important critical pieces, the Financial Stability and Development Council (FSDC) being one of them. Two pillars of financial stability and development not only require understanding of the Indian macro-economy and its inter-linkages with the rest of the world, but also an analysis and policy reform for the domestic. The research programme is addressing

larger questions of fiscal, financial, and monetary policy in an open-economy setting, and also providing what is perceived as the indispensable – a research-oriented policy support framework for topical issues that are of concern to the Ministry.

STATE DEVELOPMENT STUDIES

COMPLETED STUDIES

- **Base Paper for the Committee to Study Development in Hill States Arising from Management of Forest Lands** *Rita Pandey*

The objective of this paper is to examine the issues in development in hill States in India arising from management of forest lands with special focus on creation of infrastructure, livelihood, and human development and suggest measures to facilitate creation of infrastructure in hill States. The main recommendations of the study among others are:

Development of infrastructure has to be integrated with the vision for the overall development of the region/States because of at least two reasons: one, development of infrastructure involves huge monetary costs that have to be utilised optimally so that it contributes to the development of the region/State and facilitates resource generation for the maintenance and future augmentation of infrastructure; and two, since mountain ecology is sensitive to infrastructure development, it is essential that the necessary infrastructure is built and maintained with long term perspective. Setting up of an infrastructure planning mission for formulating a long term plan for development of infrastructure in hill States may be considered. This exercise must be undertaken in consultation with the hill States.

The development of infrastructure is a challenging task given the complex ecological and topographical features of hill States. Therefore, there is a need to have a Himalayan perspective to infrastructure development and thus move on from the conventional approaches. Enhancement of norms for technology, quality, and cost of infrastructure development needs special consideration. A technology mission for the development of infrastructure in hill States may be considered.

Conservation and sustainable use of bio-diversity is an example of spatial externalities. Rewarding the providers, including hill States, of this service is necessary to reconcile both national and global public benefits of conservation of natural resources. A contentious issue in this context is the choice of policy option for compensation. Various considerations including low technical and governance capacities of the State and local governments have led to reservations about general grants or even project based grants in India. There seems some merit in this argument until governance deficiencies at the State and local government level are addressed. However, it would be

unfair to use this argument to undermine the need for compensation to hill States. The Committee may consider creating an *infrastructure and technology fund* for hill States which can be used for creating and upgrading strategic developmental infrastructure and for development/sourcing of hill sensitive technology (especially for development of market for niche mountain products, and diversification and value addition in agriculture) which are the two most critical factors in improving the productivity of resources and boosting the environmental and developmental performance of the hill States. The need for such fund should reduce overtime, so that eventually the compensation for provision of environmental services could be linked entirely to a comprehensive index of environmental externalities/performance.

- **Promoting Effective Utilisation of the National Clean Energy Fund** *Rita Pandey, Sanjay Bali, Nandita Mongia*

The National Clean Energy Fund (NCEF), announced in *Budget 2010-11*, is seen as a major step in India's quest for energy security and reducing carbon intensity of energy. Funding research and innovative projects in clean energy technologies, and harnessing renewable energy sources to reduce dependence on fossil fuels constitute the objectives of the NCEF. It is observed that utilisation of funds from NCEF has been rather low and disbursements, so far, are aligned more with ongoing programmes/missions of various ministries/departments than with the stated objectives of the Fund. This poses potential risk of diluting the focus of NCEF with adverse implications for research and innovation in the clean energy sector in India, especially, in the absence of any identified targets and prioritisation.

This study aims to provide a detailed framework for promoting effective utilisation and administration of NCEF. It is hoped that the recommendations of the study will inform the government so that timely and appropriate revisions are made. The outputs of the study will also be useful to hone the strategic thinking on a suitable energy technology policy and an assessment of technology needs besides other barriers in clean energy sector in India.

- **Program on Indian Economic Policies: Free Trade, Democracy and Entrepreneurial Development** *M. Govinda Rao, Sudipto Mundle, Pinaki Chakraborty, Samik Chowdhury*

The objective of this study is to examine the differential growth performance across States in India and also to analyse the process of reforms in lagging and leading States in the country.

- **Review of Compliance with Provisions in the FRBM Act of Odisha 2011-12** *Tapas K. Sen, Pratap Ranjan Jena*

The report assessed the fiscal stance of the State government while implementing the

provisions of the FRBM Act for the year 2011-12 as per the amendments to the Act in accordance with the recommendations of the 13th Finance Commission. The review report contains detailed evaluation of the State finances as projected in the budget for the year 2011-12 and the budget outturns as reported in the finance accounts for the year, keeping the fiscal targets of the FRBM Act in view.

ON-GOING STUDIES

- **Preparation of the 12th Five Year Plan of Meghalaya** *Tapas K. Sen, Manish Gupta, Anuradha Bhasin*

NIPFP is assisting the Government of Meghalaya in this task by preparing a draft Plan that identifies the strengths and weaknesses of the State economy, and derives the Plan priorities from these. It provides a growth target on the basis of acceleration needed to catch up with the average for the country with a resource envelope along with sectoral allocations based on identified priorities.

- **Developmental Disability Index for Hill States in India** *Rita Pandey, Purnamita Dasgupta*

The main objective of this report is to develop a methodology for constructing a “cost disability” index with focus on hill States in India, and illustrate the methodology by constructing indices for hill States. The main argument is the need to protect and conserve forests, wildlife and other bio diversity besides restricting the land use choices, and thus causing developmental disadvantages which adversely affect the unit cost of providing public services.

In the literature these are referred to as *cost disabilities* which arise due to factors exogenous to State control such as difficult terrain, extreme and variable climatic conditions, large areas under forest, cost escalation in terms of time and institutional costs due to legal requirements and federal restrictions, and cost mark-ups due to technological and material requirements for meeting specific rules and regulations (e.g. maintaining wildlife corridors). It is argued that States need to be compensated through additional allocation by incorporating these in inter-governmental grants. This has been done in a number of countries.

STUDIES IN OTHER AREAS

COMPLETED STUDIES

- **Criminals in Elections: Evidence from India** *Poonam Gupta and Bhaskar Dutta*

This paper examines the response of voters to candidates who have reported that they

have criminal charges against them, within the framework of a simple analytical model which assumes that criminal charges give rise to some *stigma* amongst the electorate, and result in a negative effect on vote shares. Campaigning, the cost of which is borne from candidates' wealth, helps a candidate to increase his or her expected vote share by winning over the *marginal* voter. A criminal candidate gets an additional benefit since he can use the campaigning to convince voters of his innocence, and so reduce the negative effects of the stigma associated with criminal charges. The implications of the model using data for the 2009 Lok Sabha elections in India, and finding support for all the implications of the model is tested. Empirical results show that voters *do* penalise candidates with criminal charges; however, this negative effect is reduced if there are other candidates in the constituency with criminal charges; besides, the vote shares are positively related to candidate wealth, with the marginal effect being higher for the candidates with criminal charges.

- **Export of Services: The Indian Experience** *Poonam Gupta and Barry Eichengreen*

India's experience with exporting service is surveyed. It is shown that the country's experience is unique in that modern tradable services are a significantly larger share of GDP than in other countries at comparable levels of economic development. This has not always been the case, however; India's out-performance is limited to recent years. Policy initiatives, from trade reform to liberalisation of domestic, industrial and service sectors, were important for jump-starting the process. Panel and country-specific regressions for a cross-section of countries point to the importance of a range of additional factors: overall economic development, communications infrastructure, access to foreign technology, and spillovers between the merchandise and service exports. Importantly however, these factors, jointly or individually, do not wipe out the significance of a dummy variable for India. India, evidently, is a significant outlier as an exporter of services, and even more so as the period proceeds.

- **The Real Exchange Rate and Export Growth: Are Services Different?** *Poonam Gupta and Barry Eichengreen*

In this paper, the determinants of service exports, distinguishing between modern and traditional services are considered. Growth of export volumes and so-called export surges – periods of unusually rapid sustained growth are taken into consideration. Whether the determinants of export growth rates and export surges differ between merchandise, traditional services and modern services, and whether developing countries are different are questioned. Results confirm the importance of the real exchange rate for export growth. In addition, it is found that the effect of the real exchange rate is even stronger for exports of services than exports of goods; and

especially for exports of modern services. The evidence for differential effects between advanced and developing countries, in contrast, is weaker. Still, this suggests that as developing countries shift from exporting primary commodities and merchandise to exporting traditional and modern services in the course of their development, appropriate policies toward the real exchange rate become even more important.

HUMAN DEVELOPMENT, HEALTH, AND EDUCATION

COMPLETED STUDIES

- **NRHM Expenditure at the State-level: A Focus on Rajasthan and Karnataka**
Mita Choudhury, H.K. Amar Nath, Bharatee Bhusana Dash

This report analyses selected aspects of spending under the National Rural Health Mission (NRHM) in Karnataka and Rajasthan. Analysis of data from these two States suggests that funds provided by the Central government through NRHM have complimented the expenditure incurred by State governments. Data from these two States do not provide any evidence of substitution of spending by States with funds available under NRHM. Analysis of the pattern of spending shows that about 60-70 per cent of the funds provided under the flexible pools of NRHM are spent at/below the district level. The degree of decentralisation was higher in the RCH Flexible Pool than in the Mission Flexible Pool. The level of devolution of funds for facility-level spending was found to be higher in Karnataka than in Rajasthan. Through analysis of data collected from facilities and administrative offices in three districts, the study presents illustrations of the nature of utilisation of funds provided to facilities for discretionary spending. The study also attempts to identify factors that limit the level of effective utilisation of discretionary funds provided to facilities under NRHM.

ON-GOING STUDIES

- **Financing Healthcare Expenditure in India** *Mita Choudhury, H.K. Amar Nath, Bharatee Bhusana Dash*

This is an umbrella project to study different aspects of health care expenditure in India since the initiation of the National Rural Health Mission (NRHM). So far, four reports have been submitted under this project to the Ministry of Health and Family Welfare. These include two one-time studies: (1) **Health Expenditure by the Central Government in India: A State-level Distribution;** and (2) **Distribution of Public Spending across Health Facilities: A Study of Four States in India.** As part of the project agreement, two studies are required to be submitted to the Ministry every year.

These include an annual report on estimate of public expenditure on health in India, and a report on selected aspects of NRHM expenditure in two States of India. Annual reports submitted so far include (1) An Estimate of Public Expenditure on Health in India: 2004-05 to 2010-11; and (2) **Selected Aspects of NRHM Expenditure at the State-level: A Focus on Rajasthan and Karnataka.**

DATA BANK

ON-GOING STUDIES

- **Public Finance Information System** *Tapas K. Sen, Diwan Chand, Gita Bhatnagar*

This database contains budgetary data of Indian States beginning 1987-88 in some detail (sourced primarily from *Finance Accounts* of respective States) and has been an ongoing effort. It is continuously updated as and when relevant documents are available; the database has been fully updated now (till 2010-11 for all, and till 2011-12 for some States). Maintained as MS-Excel files, it is primarily meant for in-house use to avoid duplication of effort in the collection of budgetary data, however in the process, small requirements of individual researchers are also being usually met.

OTHER STUDIES

COMPLETED STUDIES

- **Competitiveness of Zinc-Lead Mining in India: Role of Royalty Regime Commissioned by VEDANTA, STERLITE (INDUSTRIES) LTD,** *Lekha Chakraborty*

The impact of fiscal policy at the firm level is a rare area of research. This study examined the significance of fiscal policy — especially the royalty regime — in determining the competitiveness of the mining sector. The study is confined to the mining regime of non-ferrous non-atomic minerals, focusing on zinc and lead (Zn-Pb) mine firms. It is often emphasised that the only crucial factors which affect the competitiveness of the firm are the quality of mineral endowments and the firm level performance variables. The firm level variables include the cost of production and the financing modes of the firm, among many other factors. However, in recent years this conservative view has come increasingly under confrontation by the executives in the extractive industries and the economists, emphasising the importance of the role of government policies — taxation regime, royalty regime and regulations—in enhancing and undermining the competitiveness. Against the backdrop of the Planning Commission's High-level Committee Report on National Mineral Policy (referred as Hoda Committee), MMDR 2011 and the 2011 Study Group on Royalty by Government of India, this study analysed the mining royalty mechanism of Zn-Pb sector. The study incorporates the plausible conceptual and methodological revisions required for *ad valorem* rates of Zn-Pb linked

to London Metal Prices and also examined the alternative mining royalty *ad valorem* regimes, including Net Smelter Returns (NSR) royalty.

The Final Report titled *Determining Competitiveness of Zn-Pb Mining in India: Role of Royalty Regime*, was submitted to Vedanta, Sterlite Industries in January 2013.

- **Fiscal and Monetary Policy aspects under Framework for Energy Efficient Economic Development Mechanism of National Mission for Enhanced Energy Efficiency** *Manish Gupta*

One of the components of National Mission for Enhanced Energy Efficiency is the Framework for Energy-Efficient Economic Development (FEED) which seeks to develop fiscal instruments (including innovative fiscal instruments and policy measures) to promote energy efficiency across the country. Under the FEED framework, the study examines the existing fiscal and monetary policy framework for facilitating the objective of enhancing energy efficiency in the country and suggests appropriate measures.

- **Diesel Pricing in India: Entangled in Policy Maze**, *Mukesh Kumar Anand*

The report identified the important economic activities that use diesel and discussed the contribution of those sectors in GDP. Other important petroleum products and, their limited substitution possibility in the extant technology were highlighted. The modal-mix for transportation in India was also discussed. The relevant policy agenda for diesel in the vision statement for hydrocarbon sector was presented along with a summary on evolution of petroleum products pricing regimes. The importance of petroleum taxes for public finance at the federal and provincial levels was discussed in the context of wider reforms in the administration of taxes. Impact of changes in diesel and / or petroleum prices, including taxes and subsidies, was explored along a few dimensions. Cost of diesel (and/or petroleum products) as a proportion of total cost of production was presented for certain users/sectors, and some suggestions on reform imperatives were offered.

- **Assessing the Quality of Governance in Indian States** *Sudipto Mundle, Pinaki Chakraborty, Satadru Sikdar*

There is a core concept of good governance, the combination of authority and responsibility to pursue the common good that has remained stable over millennia. Building on this concept, the study has developed several indices of the quality of governance and applied these indices to rank major States in India. The governance indices have been derived from the three main pillars of the government, i.e, the legislature, the judiciary, and the executive. Performance on each dimension of governance has been measured using indicators that are all based exclusively on factual

data, not perceptions. The study shows that there is a strong correlation between governance quality and the level of development in a State. When we correct for the effect of development on the quality of governance, it turns out that some of the poorer States significantly improve their rank, implying their governance performance is much better than would be expected at their level of development. A paper based on this study was published in *Economic & Political Weekly*, December 8, 2012, Vol XLVII No.49.

ON-GOING STUDIES

- **Experience of Inter-Governmental Fiscal Arrangements in Emerging Market Economies for 14th Finance Commission** *Tapas K. Sen, Sudhanshu Kumar, Manish Gupta, H.K. Amar Nath, Bharatee Bhusana Dash*

This survey of fiscal federalism in Some Emerging Market Economies is sponsored by the Finance Commission. The study is taking off; the objective is to cover major issues in fiscal federalism in five countries: China, Russia, Brazil, South Africa, and Indonesia.

- **Award of the Assignment Pertaining to Assessment of the Riskiness of the Airport Sector and Estimating Fair rate of Return on Equity (RoE)** *Ajay Shah, Suyash Rai, Aishwarya Kumar, Vikram Bahure*

Sponsored by Airports Economic Regulatory Authority of India, New Delhi, the scope of the project included the equity evaluation for all the airports (4 major private airports – Delhi International Airport Pvt. Ltd., New Delhi; Mumbai International Airport Pvt. Ltd., Mumbai; Bangalore International Airport Ltd., Bengaluru; GMR Hyderabad International Airport Ltd., Hyderabad. Keeping in view the risk profile of the projects/airports; recalculation of the beta values for the foreign airports being used as benchmark for beta values, review of the approach regarding use of book value of weighted average cost of capital, evaluation of the stakeholder comments received in response to DIAL's proposal and assisting the Authority in disposing the stakeholders comments on the fair rate of return issue is being undertaken.

NEW PROJECT INITIATED

- **Tax Policy and Enterprise Developing in South Asia**
- **Unspent Balances under Rural Development Schemes**

3

EVENTS, MEETINGS, CONFERENCES, WORKSHOPS, AND SEMINARS

- The *Aadhar* platform in India is getting ready for systemic reform of service delivery of benefits to the poor through various social programmes. The NIPFP held a workshop on ***Integrating UID into Social Programmes and Improving Service Delivery*** with the support of the World Bank on May 4, 2012 to discuss the lessons learnt from already undertaken pilot projects and to chart a roadmap for scaling up *Aadhar* based service delivery, including direct cash transfer. Key policymakers, practitioners, and technology solution providers along with some beneficiary groups attended the workshop at the NIPFP auditorium.
- The NIPFP in collaboration with Columbia University, New York had undertaken a detailed study on ***Growth Performance of Indian States***. The study made a macro analysis of the performances of various States in India in accelerating economic growth, reducing poverty, and enhancing human development including detailed case studies of reforming States namely, Andhra Pradesh, Bihar, and Gujarat. The findings of the study were presented in a conference titled, ***Growth, Poverty and Human Development in Indian States: Selected Issues*** on August 7-8 at India International Centre at New Delhi. N.K. Singh, Member of Parliament spoke on “Managing Centre-State Relations” for the audience comprising policymakers, economists, academics, and media.
- A half-day workshop on ***Fiscal Federal Issues in India*** was held by the NIPFP at the behest of Ministry of Finance, Government of India on August 13, 2012. The workshop was organised with the objective of having an informed discussion to help frame the issues of reference for the Fourteenth Finance Commission. The discussion focused on devolution, FRBM debt consolidation and sustainability, GST, public expenditure management, decentralisation and special category states. Senior policymakers and academics from NIPFP and allied institutions attended the workshop.



- The 5th Annual Raja Chelliah Memorial lecture on the “Growth-Equity Tradeoff in Tax Policy Design: Evidence from a Large Panel of Countries” was delivered by Jorge Martinez-Vazquez, Regents Professor of Economics and Director of International Studies Program, Andrew Young School of Policy Studies, Georgia State University,

on November 8, 2012 at IIC, New Delhi. Hon'ble Finance Minister C. Chidambaram chaired the event. Eminent people from all walks of life attended the lecture.

- The Institute's PIPE (Papers in Public Economics) conference, a corresponding annual event at NIPFP was held during November 7 - 8, 2012 across six sessions. Papers were presented by academicians from NIPFP and outside.
- NIPFP's research study on **Promoting Effective Utilisation of the National Clean Energy Fund (NCEF)** led to a consultation workshop with the same title to examine opportunities for NCEF in addressing the critical aspects of building a robust clean energy industry in India. A daylong workshop was held at NIPFP on November 30, 2012. Experts in the area attended the workshop which was supported by *Shakti Sustainable Energy Foundation*.



- The NIPFP collaborated with the Ministry of Finance and Confederation of Indian Industry to organise an international conference during December 14 - 15, 2012 on **Reviving Growth**. The conference was part of a larger programme called The **Delhi Economics Conclave** held for the third consecutive year. Around the theme of this international conference, three satellite conferences were organised and hosted by Madras School of Economics — South Indian Chamber of Commerce and Industry; Indian Institute of Foreign Trade; and Delhi School of Economics. The plenary sessions held on 14th and 15th December brought together a cross section of people including policymakers, economists, trade and industry representatives, financial sector experts, media, researchers, and students.



Delhi Economic Conclave, December 14-21, 2012, New Delhi

- A six member delegation from the **Commission on Revenue Allocation (CPA), Kenya** visited NIPFP from December 3 - 8, 2012 to discuss issues pertaining to fiscal federalism and intergovernmental relations in India. The NIPFP hosted a knowledge sharing workshop for a week which focused on revenue sharing arrangements, decentralisation, public finance management structure and revenue collection/sharing principles for national resources. The delegation undertook a field trip to Kerala to study the State's process of decentralisation.
- A workshop on **Capacity Development and Environmental Fiscal Reforms** was held at NIPFP on December 27, 2012 to bring about environmental fiscal reform by mapping capacity issues of policymakers, regulators, academic and research institutions; for collating and documenting the tools and practices available for capacity development and review in the material, to identify the gaps; and finally to suggest a roadmap and action plan for capacity development and awareness related activities at the national level.
- The NIPFP, Jawaharlal Nehru University, and Faculty of Economics, Kagawa University of Japan jointly organised a conference, **6th Economics Theory and Policy** during March 20-22, 2013. Analytical papers in the area of applied economics were presented in eight sessions spread over two and a half days.

4 TRAINING PROGRAMMES

Training Programme	Venue	Duration	Course Participants
<ul style="list-style-type: none"> <i>Fiscal and Monetary Policy</i> 	NIPFP	May 7-11, 2012	Probationers of Indian Statistical Service
Programme coordinator: Sudhanshu Kumar			
<ul style="list-style-type: none"> <i>Public Finance</i> 	NIPFP	May 14-18, 2012	Officer Trainees of Indian Economic Service
Programme coordinator: C. Bhujanga Rao			
<ul style="list-style-type: none"> <i>Refresher Course in Public Finance for University and College Teachers</i> 	NIPFP	May 14 to June 8, 2012	University and College Teachers from South Asia
Programme coordinator: Bharatee Bhusana Dash			
<ul style="list-style-type: none"> <i>Expenditure Management and Fiscal Policy</i> 	NIPFP	May 21-25, 2012	Senior Officials of Controller General of Accounts CAG
Programme coordinator: Pratap Ranjan Jena			
<ul style="list-style-type: none"> <i>Fiscal Policy and Macroeconomic Management</i> 	NIPFP	September 10-14, 2012	Indian Administrative Service (IAS)
Programme coordinator: N.R. Bhanumurthy			



8th Refresher Course in Public Economic for University/College Teachers of South Asia Region (May 14-June 08, 2012)

- **Role and Scope of Environmental Economics in Sustainable Development**

NIPFP

September 10-14, 2012

Officers of the Indian Forest Service (IFS)

Programme coordinator: Rita Pandey

- **Fiscal Decentralisation**

NIPFP

December 2-8 2012

Commission on Revenue Allocation, Kenya

Programme coordinator: Pinaki Chakraborty

- **Training Programme on Public Finance**

NIPFP

December 17 -21, 2012

Officer Trainees of Indian Economic Service (IES),

Programme coordinator: C. Bhujanga Rao

5 NIPFP PUBLICATIONS 2012-13

During the year 2012-13, the NIPFP produced 20 Working Papers under the NIPFP Working Paper series. These papers were uploaded on the NIPFP website www.nipfp.org.in. Printed papers are available at Publications Unit @ ₹ 20 each.

NIPFP's Annual Report incorporating all activities of the Institute was printed and published in November, 2013. Academic pursuits of the Institute's faculty and professional staff during 2011-12 were put out in detail. Copies of English and Hindi versions were sent to the Ministry of Finance to be tabled in the Parliament in the latter's winter session. The Publication Unit brought out NIPFP's annual Newsletters during July 2012, and January 2013. These Newsletters highlighted all academic and allied activities of the research faculty in a tabulated format.

The Institute's brochure bearing a new design was printed during 2012.

A programme brochure was prepared for the international conference held during the **Delhi Economics Conclave**, under the auspices of the Ministry of Finance. The brochure incorporated details of all partnering institutions i.e. NIPFP; CII; Madras School of Economics; Southern India Chamber of Commerce and Industry; Institute of Foreign Trade; and Delhi School of Economics. It also carried details pertaining to the plenary days and three satellite conferences, seminars lectures, and workshop hosted by each organisation at various venues during a full week.

(List of NIPFPs Priced Publications at **Annexure IV**).



LIBRARY AND INFORMATION CENTRE

The NIPFP Library and Information Centre is one of the best equipped libraries in South Asia catering to the Public Finance and Policy domain. It has over 60000 books and other documents specifically related to public economics in general and in the specific areas of fiscal federalism, taxation and public expenditure, gender studies, and several other public policy areas. During the year 2012-13, the library added 1374 new documents and 150 working papers to its collection which covers publications from Indian and international societies, research institutions, and universities. The library subscribes to/receives and maintains about 612 periodicals/journals, and newspaper titles (including on-line journals and databases). The Library Committee at NIPFP is in charge of collection development activity including selection of books, journals, and databases.

All operations of library functions and services are computerised using an integrated library software package LIBSYS-7.0; this year the catalogue has been updated in MARC21 format in accordance with the international standards. WEB OPAC (Online Public Access Catalogue) is a web enabled service that opens to support browser based free text searching using boolean operators. The library is open from 9.00 am to 5.30 pm on all working days except Thursdays when it is open till 8.00 pm while on Saturday the library timings are 9.30 am to 4.00 pm.

All new documents received in the library are regularly added to the database and released as following published bulletins:

- *New Arrivals of Books & Reports* (Latest Additions of Books)
- *Article Alert Service* (Latest Additions of Newspaper Clippings)
- *Current Contents Service* (A monthly bulletin for the contents pages of periodicals received in the library)
- *Pre & Post Budget Special Bulletin*



A view of NIPFP Library

The library also provides *current awareness service; bibliographical service and reference service*. It is regularly engaged in disseminating *Book Alert & Article Alert* through e-mail to NIPFP faculty members. In addition, the library also subscribes to the following e-journal bundles:

- Scimedirect: Economics, Econometric & Finance Subject Bundle (96 journals from 1996 to till date)
- Oxford University Press Journals: Economics Subject Bundle (Economics, 47 journals from 1996 to till date)
- JSTOR: Business I & Business II Bundle (226 journals archival access)
- Stata Journal
- OECD Finance and Investment: Library
- Journal of Post Keynesian Economics
- CEPR Publications

The library is a paid depository member of International Bureau of Fiscal Documentation (IBFD). NIPFP relations the membership of IMF Depository Scheme; has access to 32 databases and e-journals. The library subscribes to perpetual access of e-books from Springer International Publisher, having in its possession a collection of over 1758 e-book subject bundle on economics and econometric field. (Besides, the library continued to get 7 print journals and all books published by IBFD during 2012-13).

Regarding resource sharing through Inter-Library Loan and Document Delivery Services, the library maintains membership with Developing Library Network (DELNET), National Social Science Documentation Centre (NASSDOC), Central Secretariat Library (CSL), and American Centre Library (ACL). During the year under report, the library borrowed 181 documents from other libraries and lent out 189 documents to other libraries. About 1239 external research scholars and policy makers visited the library in the year 2012-13.

DIGITAL LIBRARY INITIATIVE

In view of the increasingly electronic form of documents such as e-books, e-journals, articles, clipping and datasets, the library is in the process of building up a digital library through Greenstone Digital Library Software for:

- Finance Accounts and Appropriation Accounts
- Indian Economics Commission and Committee Reports

- Missing Volumes Journal collection
- Director's collection
- Media Clippings collection
- e-Books & e-Journal collection
- NSSO Reports.

NIPFP's publications are kept updated in the Institutional Repository Software, and DSpace in the library. The library participated in the international subject repository RePEc (Research Paper on Economics) to upload the metadata of working papers of the Institute on a continuous basis.

REPROGRAPHIC SERVICE

NIPFP library provides traditional reprographic service of the library resource material to the faculty members and other research scholars visiting the library. Altogether 55,607 pages of photocopied material were provided to users for their research work during the year under review.

7 COMPUTER/IT UNIT

The Computer Unit of NIPFP provides vital support service to the academic fraternity as well as other supporting functionaries of the Institute, viz. accounts, administration, auditorium, library, and publications. The Computer Centre continuously augments its old systems in consonance with the requirements of the faculty and staff. During 2012-13, 8 HP3090MT series desktops; 10 Acer E7600/4G desktops; 1 Intel Xeon Quad Core Model MS2335; 1HP 4420S Laptop; 3 Acer Series LX V4203 Laptops; 5 Printers HP P-1007; 1 Printer HP CLR 1215; and 2 Printers HP 1606n were added to the assets of the Centre.

In all, the computer systems at the Institute have 6 servers; 128 Pentium IV computers; 20 laptops; 20 UPSs; and 41 printers. The server network is maintained by the Computer personnel of NIPFP who also in their charge, the annual maintenance of computer hardware and software.

The Institute's internet facility (nipfp.org.in) as well as its website is supported by a National Knowledge Network (NKN), TATA, and leased line from MTNL. The NIPFP website works under the address <http://www.nipfp.org.in> through a Bluehost domain server. Management of the website is being supervised by a Committee headed by an Associate Professor of NIPFP. The website highlights the objectives and major activities of the Institute, indicates research interests of NIPFP faculty along with their detailed CVs, and provides lists of publications, working papers, and major reports produced by the Institute.

Databank development is done on a continuous basis at the NIPFP Computer Centre. Specialised software is provided to the Library and the Accounts Department. While technical support is rendered through LIBSYS, and Prowess to the Institute's Library, EX Accounts and Payroll softwares are provided to facilitate the work of the Accounts Department.

The Computer Unit is functioning under the overall policy guidance framed from time to time by a Computer Committee comprising of various members of NIPFP faculty and administration, and headed by a Professor at NIPFP. The Computer Unit is run by an EDP Manager, a Research Officer (Communication), and a Superintendent (Computer).

8

HIGHLIGHTS OF FACULTY ACTIVITIES

The Institute's academic staff continued to be involved in research and allied work during 2012-13. Besides writing core research, they imparted lectures, seminars, participated in conferences, and organised training programmes in India and abroad.

*Notable activities of the professional staff in addition to their normal research are given below (Details of their published work is seen at **Annexure V**).*

C. Rangarajan, Chairman of NIPFP continued to assist the Prime Minister of India as Chairman of PMs Economic Advisory Council; Chairman, Expert Group to Review the Methodology for Measurement of Poverty; and Member of Committee on Climate Change; Apex Council for G20; and Committee on Trade and Economic Relations. He also continued to be affiliated with academic institutions as Chairman, Madras School of Economics, Chennai; Chairman, C.R. Rao Advanced Institute of Mathematics, Statistics & Computer Sciences, Hyderabad; Chairman, Genome Foundation, Hyderabad; and President, Indian Statistical Institute, Kolkata.

As in the past, C. Rangarajan delivered lectures at diverse venues across the country. Notable among these were the Convocation Address titled, "Some Imperatives in Indian Agriculture" at University of Agricultural Sciences, Bangalore; speech on "The Indian Economy: Concerns and Prospects" at the National Statistical Day at ISI, Kolkata; Founders' Day Lecture on "Housing Finance – The Way Forward" at the National Housing Bank, New Delhi; First Annual Convocation Address on "Technology and Economic Growth" at IIT, Hyderabad; Valedictory Address on "The Indian Banking System – Some Issues" at FICCI-IBA Conclave at SBI, Mumbai; Inaugural Address on "Modern Organised Retail and Its Impact on Agriculture" at Indian Society of Agricultural Marketing, CESS, Hyderabad; Foundation Day Lecture on "India's External Sector: Do We Need to Worry?" at Export Credit and Guarantee Corporation, Hyderabad; Professor Ranjit Gupta Memorial Lecture on "Social Development and Inclusive Growth" at BASIX, Hyderabad; Professor P.R. Brahmananda Memorial Lecture on "Dynamics of Inflation" at the 95th Annual Conference of Indian Economic Association, GITM University, Visakhapatnam; Keynote Address on "Banking Industry and Technology Absorption" at the 2nd International Trade Fair and Seminar at IBEX, Mumbai, and Shri B.G. Deshmukh Memorial Lecture on

“Growth Development and Governance” at Yeshwantrao Chavan Academy of Development Administration at Pune.

His published output was in the form of essays and papers. He published three essays in edited volumes; two co-authored articles in *Economic and Political Weekly*; and *Money and Finance*; and a Policy Research Paper (co-authored) at the World Bank.

M. Govinda Rao, Director and CEO of NIPFP was appointed Member in the 14th Finance Commission in January, 2013. He relinquished the charge of Director, NIPFP in February, 2013. In his capacity as Director, he anchored academic and administrative activities of NIPFP, undertook research work, rendered policy advice to Central and State governments, delivered lectures, published articles and represented the Institute in various fora including seminars and conferences in India and abroad.

During 2012-13 he continued as a Member of: Economic Advisory Council to the Prime Minister; Committee to examine interest relief to states in respect of NSSF loans and write-off of central loans administered by ministries/departments other than Ministry of Finance in terms of 13th Finance Commission’s recommendations in the Ministry of Finance; Financial Sector Legislative Reforms Commission. He also continued to be member of Planning Commission’s High Level Expert Committee on Universal Health Coverage; High Level Expert Committee to suggest Measures for Efficient Management of Public Expenditure; Steering Committee on Financial Resources and; Committee to study Hill States Arising from Management of Forest Lands with Special Focus on Creation of Infrastructure, Livelihood and Human Development, attending its 4th meeting.

His advisory roles included membership in the Advisory Group of Eminent Persons to advise the Finance Minister on G-20 matters and of Southern Regional Board of RBI. He served as non-official Part-time Director on the Boards of Rural Electrification Corporation, and National Thermal Power Corporation Ltd., Ministry of Power.

His academic acclaim led him to retain memberships of: South Asia Network of Economic Research Institutes (SANEI); Board of Governors, Madras School of Economics, Chennai; Board of Governors, Institute of Economic Growth, Delhi; Member of the Governing Body, Gulati Institute of Finance and Taxation, Thiruvananthapuram; Board of Governors, Institute for Social and Economic Change, Bangalore; Advisory Council of World Education Congress 2012, Mumbai; Board of Experts – Technical Advisory Panel – TASCC Research Centre, Georgia State University, Atlanta; and Faculty of Applied Social Sciences and Humanities, University of Delhi. Furthermore, during the year under review he accepted memberships in the CII’s Economic Policy Council for 2012-13.

Govinda Rao attended and participated in panel discussions, seminars, and conferences related to his above memberships and allied academic events. He was a Member of Technical Advisory Panel meeting on Indian Power Sector Diagnostic Review at the World Bank. Apart from these events held in New Delhi, he participated as a speaker in a panel discussion on “Centre-State Relations in Indian Fiscal Context” at CESS, Hyderabad; 12th Annual SANEI, international conference in Colombo, Sri Lanka; and made a presentation in the regional technical consultation on Tobacco Taxes by ADB, Centre for Global Health Research, Toronto and World Bank at Manila, Philippines.

M. Govinda Rao was invited at diverse forums in India and abroad to deliver lectures on fiscal matters: in a roundtable discussion on Country Experiences in an IMF Regional Office for Asia and Pacific and IMF Fiscal Affairs Department organised seminar, **Countercyclical Fiscal Policy in Asia** Tokyo; roundtable, **Indian Economy: Problems and Prospects** at the University of Melbourne, Australia; international conference on **Challenges to Collect Property Taxes in Selected Asian Countries** by the Ministry of Finance, Republic of Indonesia at Jakarta; in a presentation in the 1st Steering Committee meeting for Tax Policy and Enterprises Development in South Asia at Bangkok, Thailand; panel discussion on “Obstacles to High Growth in India” at ISI, New Delhi; and on “Fiscal Issues in the Indian Economy” in an International conference at Delhi School of Economics.

Apart from these he delivered a lecture each on “Tax Reforms in India” at the National Law University Dwarka; “State Level Fiscal Policy: Important Issues” at Punjab University, Patiala; “Issues in Fiscal Consideration” at IIM Bangalore; “Regional Disparities in India: Fiscal Mechanisms to Help Lagging States”, South Asian University New Delhi; gave a keynote address at a seminar at Nirma Institute of Management, Ahmedabad; and at a Knowledge Forum organised by Bloomberg LP; “Reviving the Animal Spirits: Strategy for Accelerating Sustainable Growth in India” at IP College, Delhi; delivered the Chief Guest address at Bangalore Chamber of Industry and Commerce; “Reforms Necessary for Growth and Development” at ICICI Securities Macro Day at New Delhi; inaugural address in the second edition of MANTHAN, IIM Kashipur’s annual finance summit.

He was awarded D.Litt degree (Honoris Causa) by University of Mysore and Mangalore University in the convocations held at Mysore and Mangalore respectively. He contributed six articles (one co-authored) in edited volumes by Indian and International publishers; IMF; The Economist; and Economic and Political Weekly. He published 11 articles in reputed Indian dailies and business newspapers.

Govinda Rao refereed articles for *World Development*, *Public Finance Review*; and *Journal of Public Budgeting and Finance*.

Sudipto Mundle, Professor Emeritus, joined the Fourteenth Finance Commission as a Member in February, 2013. Prior to that he, along with other colleagues at NIPFP, worked on the Macroeconomic Policy Simulation Modeling Programme (NIPFP-MPSM) to address different policy questions raised by Department of Economic Affairs; Ministry of Finance, Planning Commission of India and Reserve Bank of India. Under this broad programme, he completed studies titled, **Impact of Gold on CAD and other Macroeconomic Outcomes in the 12th Plan Period** and **Subsidy Elimination with and without a Global Price Shock: The Macroeconomics of Oil Price Policy Reform**. He also led the research team which completed a study on **Assessing the Quality of Governance in India**. A paper based on this study was published in *Economic and Political Weekly*.

His ongoing studies are also part of the NIPFP-MPSM programme: **Approaches for Controlling the CAD during 12th Plan Period** at the instance of the Planning Commission; and **Macroeconomic Analysis, Fiscal Policy, and Forecasting** for Department of Economic Affairs, Ministry of Finance.

Before joining the 14th Finance Commission, he completed his tenure or relinquished some of his other positions, i.e., Member and Acting Chairman, National Statistical Commission; Member, Technical and Advisory Committee on Monetary Policy of RBI, Mumbai ; Member, Bihar State Industrial Investment and Advisory Council, Patna; Member, Internal Quality Assurance Cell, JNU. However, he continued to retain his academic affiliations as Member, Governing Body, and Professor Emeritus, NIPFP; Member, Board of Governors, Institute of Economic Growth; Chairman, Research Advisory Council, of Research and Information System for Developing Countries, New Delhi; Life Member of ISEC Society, ISEC, Bangalore; Life Member of Indian Econometric Society. He also remains President of PREETI Foundation, a New Delhi based voluntary organization.

His lectures during the year included “Millennium Development Goals: How is India Doing?” in the NIPFP training courses for probationers of Indian Economic Service, and College and University Teachers; “Key Macroeconomic Policy Challenges” for Officers of CGA; Keynote Address at the Interactive Workshop on Official Statistics at Kohima; and “Subsidy Measurement & Management” for senior IAS officers at O.P. Jindal Global University.

He proffered comments on the report “Fiscal Issues and Allocative Efficiency” prepared for the National Transport Development Committee. He also co-authored an article for a forthcoming Festschrift for Dr. Vijay Kelkar.

He wrote six articles for the *Times of India* during the course of the year.

Tapas K. Sen, Professor, took over the charge of Acting Director after M. Govinda Rao’s

departure from NIPFP. He completed and submitted his co-authored study, **Review of Compliance with Provisions in the FRBM Act of Orissa 2011-12**. Currently he is engaged in finalising **Preparation of the 12th Five Year Plan of Meghalaya** at the instance of the Government of Meghalaya. He has also begun work on **Experience of Inter-Governmental Fiscal Arrangements in Emerging Market Economies** sponsored by the 14th Finance Commission.

In addition to more than 20 lectures delivered at the NIPFP-conducted training courses, Tapas Sen lectured on “Intergovernmental Grants and Education in India” at NUEPA, New Delhi; and on “Financing Human Development” at JNU Academic Staff College.

His paper presentations included, “Fiscal Federalism in Practice: Case of India” at a conference on Indian Federalism at Centre for Culture and Development, Vadodara; “Recent Trends in Fiscal Imbalances and Indebtedness of Indian States” at Centre for Economic and Social Studies, Hyderabad; and “Impact of Fiscal Adjustments in Odisha” at a conference on **Odisha Economy** at NCDS, Bhubaneswar. Besides these, he made a presentation on “Budget 2013-14: Anatomy of Adjustments” at the post-budget Five-Institute Seminar at New Delhi; gave the valedictory address at a national seminar at Centre for Research in Rural and Industrial Development, Chandigarh and participated as a discussant in the **PIPE Conference** at NIPFP.

Tapas Sen was appointed as a member of UGC Expert Committee to assess a proposal by University of Mumbai to initiate an M.Sc Programme in Finance. He refereed manuscripts for publication with Oxford University Press, and Sage Publications. He also co-supervised a successful M.Phil dissertation submitted to IGNOU during the year. He submitted a review report on PPPs in India to the World Bank as a short-term consultant and wrote a chapter on *Public Finance* for the **Economic Survey 2012-13** of Odisha.

Rita Pandey, Professor, was involved in the preparation of a **Base paper for the Committee to Study Development in Hill States Arising from Management of Forest Lands**, constituted by the Planning Commission; and a study report **Promoting Effective Utilisation of the National Clean Energy Fund**, sponsored by Climate Works Foundation. She also finalised a Draft Report on **Developmental Disability Index for Hill States in India** under the aegis of the Planning Commission.

She worked as the course coordinator of a Refresher Training Course for Officers of Indian Forest Service on **Role and Scope of Environmental Economics in Sustainable Development** in which she delivered three research oriented lectures on the subject. She delivered a lecture on “Fiscal Instruments for Environmental Protection” in the Refresher Training Course for College and University Teachers; and to probationers of the IA&AS,

both held at NIPFP. She also lectured on “Role of Subsidies in Environmental Management” at a training course at Madras School of Economics, Chennai.

Her presentations in other forums included: “Environmental Fiscal Reforms: Prospects and Challenges”, in a workshop by MoEF, GIZ and TERI at New Delhi; “Promoting Effective Utilisation of National Clean Energy Fund: Issues and Opportunities” in a NIPFP-Shakti Foundation collaborative consultation workshop at NIPFP; was panelist in a discussion on “Issues Before the Fourteenth Finance Commission with respect to Environmental and Resource Management” at MSE, Chennai; and on “National Clean Energy Fund and Energy Activities” at an international conference at Puducherry.

She was referee for an article in *Environment and Development Economics; Energy; Current Science*. Rita Pandey examined a Ph.D thesis submitted to the University of Calcutta.

R. Kavita Rao, Professor, is in the process of finalising four co-authored projects commissioned to NIPFP, **Incidence of Taxes and Levies on Telecom Sector in India** sponsored by TRAI; **Revenue Potential for Himachal Pradesh** for Government of Himachal Pradesh; **Estimation of Revenue Neutral Rate at the State Level** for Empowered Committee of State Finance Ministers; and **Study on Unaccounted Incomes in India** for Central Board of Direct Taxes. Her recently initiated project on **Tax Policy and Enterprise Development in South Asia** with another Professor at NIPFP under the aegis of Governance Institute Network International, Islamabad, is making steady progress.

Along with her coauthor, Pinaki Chakroborty, she made a presentation on “Estimation of Revenue Implications of GST” for the Empowered Committee of State Finance Ministers.

Kavita Rao delivered as many as 13 lectures in the various training courses organised by NIPFP for government officials at the Institute premises and at Lal Bahadur Shastri National Academy of Administration, Mussoorie. Besides these, she lectured at Centre for Studies in Social Services, Kolkata; and gave a talk at Management Development Institute, Gurgaon. Her lectures were focused on “Theory and Principles of Taxation”; “Goods and Services Taxation”; “Value Added Taxation”; “India's Fiscal Future: GST and Other Ideas” and “Tax Reform in India”.

On behalf of the Institute, she organised the fourth Dr. Raja J. Chelliah Memorial Lecture by Jorge Martinez from Georgia State University, USA at New Delhi, besides a two-day simultaneous national annual conference on ***Papers in Public Economics (PIPE)***.

Her advisory work comprised of memberships in the Governing Body of Centre of Excellence, National Academy at Customs and Narcotics; and Study Group on Special

Economic Zone, Directorate General of Export Promotion, Government of India. She was an external expert for an interview committee at Punjab and Sind Bank; external referee for Ph.D thesis at JNU; and played mentor to the probationers of Indian Statistical Services to pen a research paper on macroeconomic and fiscal policy as part of their induction training at the ISS National Academy located at Greater Noida.

She published two articles in *Economic and Political Weekly* of which one is co-authored.

Ila Patnaik, Professor, jointly with a fellow Professor and research teams undertook original research work for **NIPFP-UIDAI Program on Financial Inclusion** sponsored by Unique Identification Authority of India, Planning Commission; and **Financial Sector Legislative Reforms Commission** sponsored by Ministry of Finance, Government of India.

Among her ongoing projects are: **Policy Analysis in the Process of Deepening Capital Account Openness** for the British High Commission, UK; and **Research on Business Cycles** being conducted for India Value Associates. She also continued to co-manage and work on the **NIPFP-DEA Research Programme** which is being carried forward after a third MoU was signed between NIPFP and Department of Economic Affairs to render research oriented policy support framework for topical issues that are of concern to the Ministry.

She delivered research based lectures in some of the training programmes organised by NIPFP for government officials: “Key Macro Economic Policy Challenges in a Global Context” for in-service IAS officers; “Monetary Policy in an Open Economy, Capital Flows and Consequences” for senior officials from the Controller General of Accounts Office; and “Capital Account Liberalisation” and “Monetary Policy in an Open Economy, Capital Flows and Consequences” for Indian Statistical Service Probationers.

She was a participant, discussant, and speaker in many a notable conference, seminar, workshop held in India and abroad: as discussant of a paper in a **NIPFP-DEA-JIMF Conference** (10th Research Meeting) at Neemrana Fort Palace, Rajasthan; on “Emerging Trends in India: A Macroeconomic Perspective” in an **Emerging Business Trends in an Environment without Global Boundaries** event at New Delhi; presented papers on “The Role of Foreign Investors” and “Did the Indian Capital Controls Work as a Tool of Macroeconomic Policy?” at ISI, Delhi. In addition, she delivered a keynote lecture on “Indian Economic Reforms: Past, Present, and Future” in a conference organised by the Australia India Institute at Melbourne, Australia; presented a paper, “Did the Indian Capital Controls Work as a Tool of Macroeconomic Policy” at a conference at University of Calgary, Alberta; and participated in a one-day workshop on **Policy Issues of Systemic Risk** at University of California, Santa Cruz, USA.

Ila Patnaik published three co-authored articles in international journals; and coauthored for Working Papers at NIPFP.

Ajay Shah, Professor, along with a Professor colleague at NIPFP and research teams completed the work on the final report on **NIPFP-UIDAI Program on Financial Inclusion in India**; and providing research inputs to the **Financial Sector Legislative Reforms Commission**. He is working on four other on-going projects, **Policy Analysis in the Process of Deepening Capital Account Openness** commissioned by the British High Commission, UK; **Research on Business Cycles** under the aegis of India Value Fund Associates; **NIPFP-DEA Research Programme** (under the 3rd MoU signed between NIPFP and Department of Economic Affairs); and **Award of the Assignment Pertaining to Assessment of the Riskiness of the Airport Sector and Estimating Fair Rate of Return on Equity (RoE)** for Airports Economic Regulatory Authority of India, New Delhi.

He delivered lectures on “Fiscal Monetary Nexus” and “Indian Social Democracy: Resource Perspective” in a NIPFP organised training programme for IAS officers held at the Institute; and on “Challenges of a Welfare State” at a mid-career training programme for officers of the IAS at Lal Bahadur Shastri National Academy of Administration at Mussoorie.

Ajay Shah participated and presented papers in forums such as research meetings, roundtable discussions, conferences and workshops. In a NIPFP-DEA-JIMF Conference (10th Research Meeting), he presented a paper titled, “The Investment Technology of Foreign and Domestic Institutional Investors in an Emerging Market”; participated in the session on “Macroeconomics/Finance” at the 3rd IGC-ISI India Development Policy Conference at ISI, Delhi; presented a paper on “Did the Indian Capital Controls Work as a Tool of Macroeconomic Policy” in a Law and Business conference at Hyderabad; was a participant in a roundtable discussion on “Offshore Trading in Emerging Market Currencies” organised by the City of London; and at a one-day workshop on **Policy Issues of Systemic Risk** at University of California, Santa Cruz USA. He was a discussant in the session on “Managing Capital Flows: The Role of Capital Controls” in the 46th Annual Conference of the CEA at University of Calgary, Alberta.

His policy advisory role comprised of memberships in the Expert Group for Deriving seasonally adjusted series for short term economic data, and Advisory Group on Financial Inclusion, Department of Financial Services, Ministry of Finance, Government of India. He continued to be Director on the Board of Gujarat State Fertilisers and Chemicals Ltd; Ascent Capital Advisors Pvt Ltd; National Securities Clearing Corporation Ltd; Centre for Monitoring Indian Economy; and The Clearing Corporation of India.

He published two co-authored articles in international journals; and two Working Papers (also coauthored) at NIPFP.

N.R. Bhanumurthy, Professor, carried out his research work under a large project **Macro Economic Policy Modelling (MPSM) for 12th Plan Period** commissioned to NIPFP by the Planning Commission of India. He completed a co-authored report on the possible impacts of rising gold imports as well as oil prices on the CAD and other macroeconomic variables. His study, **Subsidy Elimination with and without a Global Price Shock: The Macroeconomics of Oil Price Policy Reform** was also finalised during the year.

His ongoing work comprises of two studies under the same umbrella project and titled **Macroeconomic Analysis, Fiscal Policy, and Forecasting**. They are intended to analyse the possible future scenarios for the Indian economy (2012-13 to 2016-17) and beyond; one is for the Planning Commission; and the other for Department of Economic Affairs, Ministry of Finance. The NIPFP-MPSM team is also slated to collaborate with a RBI team to work on developing monetary and external blocks of the basic macroeconomic model that would eventually integrate in the core macro model of the Institute. N.R. Bhanumurthy was invited by the Reserve Bank of India, New Delhi to give a talk on Oil Prices and the Indian Economy.

He delivered several fiscal policy based lectures in the NIPFP conducted training courses: two of them were delivered in a training course for mid-career IAS officers, coordinated by himself; in addition to two on “Fiscal Monetary Nexus”, and “Monetary Policy” to IA&AS probationers. He gave a talk on “Targeting debt and deficits using a macro-model” to probationers of Indian Economic Service.

His presentations at various academic events included a keynote address as NMIMS University Research Colloquium at Mumbai and in a conference at Vidyasagar University, Midnapore. He presented papers on: “Macroeconomic Modelling and Forecasting the Indian Economy” and “Weather Shocks, Spot and Futures Agricultural Commodity Prices: An Analysis for India” in a conference at Delhi School of Economics; “Financial Sector Reforms and Financial Access in India” at CESS, Hyderabad organised conference, and “Does Weak Rupee Matters for India’s Manufacturing Exports?” at the annual conference of the Indian Econometric Society, at Patna.

N.R. Bhanumurthy was an invited speaker at a conference jointly organized by ISEC, Bangalore and Sichuan Academy of Social Sciences, China at ISEC; at an Expert Group meeting on Inclusive Development and Regional Cooperation in South and South-West Asia, UNESCAP, New Delhi; in a workshop by ICRIER-FGI-World Bank on **Growth Models and Policy Processes in India and China**.

He was a panelist at the 13th GDN Annual Conference held at Budapest, Hungary; presented “India Outlook” in the Project-LINK meeting by UNDESA-University of Toronto at New York; was invited for a discussion on “Global Crisis and the Future of BRICS” by Embassy

of Russian Federation; panel discussant on “Weathering the Global Crisis while Simulating Growth” by Bloomberg, both at New Delhi. Other invitations to N.R. Bhanumurthy for discussions were on “Union Budget 2013-14” by Ambedkar University and on “Emerging India - Emerging Challenges” by Observer Research Foundation. He gave a special talk on “India Economy: Road Ahead” at PHDCCI, New Delhi and acted discussant for three papers in the 2nd Annual Statistics Conference of RBI, Mumbai.

During 2012-13, he was appointed member in the Expert Group to Develop a Methodology for Computing an Index of Infrastructure Development; and the Committee on National Accounts Statistics, CSO, both under the Ministry of Statistics and Programme Implementation. He was also member of Economists’ Forum, FICCI; Board of Studies, Jamia Millia Islamia; Managing Trustee, The Indian Economic Association Trust for Research and Development; and Secretary (since 2006) and Life Member, The Indian Econometric Society.

Allied academic activities of N.R. Bhanumurthy included acting as a referee for distinguished journals such as *Indian Economic Review*; *Indian Economic Journal*; *Journal of Quantitative Economics*; *International Journal of Economic Policies in emerging Economics* and *Global Business Review*. He was also a referee with Oxford University Press and RBI Occasional Papers.

He was examiner for 6 Ph.D theses: from JNU; IIT Delhi; IIT Guwahati; University of Hyderabad and Pondicherry University. Under his guidance, one student received a Ph.D degree, while another has already made his submission. Three students are working on their theses.

His published output included two co-authored articles in international journals, a Working Paper each under a series run by CDE-DSE; SANEI; and NIPFP (all co-authored). He also contributed a co-authored article in a forthcoming Vijay Kelkar festschrift.

He contributed as many as 14 articles, 6 in financial and daily newspapers; one in SBI Monthly Review; and 7 in vernacular languages papers.

Pinaki Chakraborty, Professor, was one of the lead researchers of three completed projects titled, **Program on Indian Economic Policies: Free Trade, Democracy, and Entrepreneurial Development** for Columbia University, USA; **Estimation of Revenue Neutral Rate at the State Level** for the Empowered Committee of State Finance Ministers; and **Assessing the Quality of Governance in India States**. He is also a key member of a new project initiated in the Institute on **Tax Policy and Enterprise Development in South Asia** funded by IDRC through Governance Institute Network

International, Islamabad. This is a cross country study involving research partners from Bangladesh, Nepal, Pakistan, and Sri Lanka intended to examine the impact of value added tax, property tax and various tax exemptions on enterprise development with special focus on small enterprises.

Apart from the research projects, his academic activities involved advisory role in various forums including various Government of India committees, networking with other research institutions within India and abroad and teaching in NIPFP courses and invited talks. His key advisory role was working out the revenue implications of proposed GST at the request of the Empowered Committee of State Finance Ministers. He testified before the Empowered Committee to discuss **The Revenue Implications of GST** in Bhubaneswar. He was also a member of a sub-committee set up by the Empowered Committee to look into the issue of revenue impact of GST and the place of supply rule. His other advisory work included membership in the Committee to Measure Cost Disabilities in Services Across States and Unit Cost of Services of the Ministry of Statistics and Programme Implementation; Working Group on Centre's Financial Resources in connection with formulation of the 12th Five Year Plan. His off shore invitations included a talk on "India's Revenue Sharing Experience" in a high level technical treat organised by the UN Millennium Campaign – Africa Regional Office, UNDP, Kenya, to help the Commission on Revenue Allocation (CRA), Kenya for an objective determination of the revenue sharing principles for the constituent units of Kenyan federation. Post this meeting, NIPFP conducted a training programme for the members of the Commission on Revenue Allocation coordinated by Pinaki Chakraborty including a tour to Kerala to learn from the State's decentralisation experience. He was invited by the World Bank to make a presentation on "Decentralisation in Education and Health Service Delivery: Evidence from India" at the World Bank, Washington DC. He was instructor at International Working Group on Gender and Macroeconomics course conducted by GEM-IWG, in collaboration with Levy Economics Institute, University of Utah and Heinrich Boll Foundation at Krakow, Poland. He was invited to an international seminar on Property Tax held by Ministry of Finance, Government of Indonesia at Jakarta.

In his capacity as an invited speaker in various forums in India, he was a panelist in an interactive workshop on the **Union Budget 2012-13 and Economic Survey 2011-12** at ICAI, New Delhi; discussant of a paper, titled "Political Economy of Subsidy in Gujarat" in a seminar conducted by Centre for Development Alternatives, Ahmedabad; He wrote an invited paper on "Fiscal Reforms, Fiscal Rules and Development Spending: Two Decades of Indian Experience" for a national conference organised by Institute of Development Studies, Kolkata; and on "Growth Development Outcome and Fiscal Balance: How have Indian States Performed?" for a book to be published by OUP at the request of the Rajiv Gandhi Institute for Contemporary Studies, New Delhi.

He presentations on papers relating to: Education and Health in a NIPFP-Columbia University conference coordinated under his supervision; “Fiscal Reforms and Fiscal Rules and Development Spending: How Indian States have Performed” in the NIPFP organised **PIPE Conference**; as also in the NIPFP-JNU-Kagawa University conference. He acted as discussant for two papers titled, “Determinants of Stamp Duty Revenue in Indian States” and “ASEAN-India Free Trade Agreement, Palm Oil Trade and Oil Subsidy”. Pinaki Chakraborty delivered a talk on “Tax Design in India” in a workshop at Jadavpur University, Kolkata.

He delivered as many as 20 lectures in various areas of macroeconomics, such as public debt, estimation of revenue neutral rate for GST, fiscal federalism, distribution of central government expenditure and incidence of subsidies among States and Issues Before the Fourteenth Finance Commission in the capacity building programmes held at NIPFP for officials of IAS, IA&AS, IES, Controller General of Accounts; Indian Statistical Service (ISS) and College and University Teachers. Apart from these, he gave two lectures at the Academic Staff College, JNU; two at Centre for Studies in Social Sciences, Kolkata and four in a Refresher Course for College and University Teachers at University of North Bengal, Silliguri;

Pinaki Chakraborty organised a half-day workshop for the Ministry of Finance, Government of India at New Delhi to deliberate on the proposed terms of reference for the Fourteenth Finance Commission.

As an external evaluator, he examined M.Phil and Ph.D theses from JNU, New Delhi; IIM, Ahmedabad; and Department of Humanities and Social Sciences, National Institute of Technology, Silchar. He is also mentor in a innovation project of Delhi University at Kirorimal College on “Public Funds and Private Responsibility: An Analysis of Cash Transfers as a viable Alternative to PDS”. He also acted as a mentor to probationers of Indian Statistical Service to write a research paper on Macroeconomic and Fiscal Policy as part of their induction training.

He published an article in the special issue of Planning Commission’s magazine *Yojana*; two co-authored articles in *EPW*; and a co-authored Working Paper at NIPFP.

Poonam Gupta, RBI Chair Professor, continued to work on self-initiated research projects, in the area of macroeconomics. She finalized studies on **Export of Services: The Indian Experience** and **The Real Exchange Rate and Export Growth: Are Services Different?** in collaboration with a researcher from University of California, Berkeley. The former study is focused on surveying India’s experience with exporting services (also produced as a NIPFP Working Paper), while the latter paper considers the determinants of the service

exports distinguishing between modern and traditional services.

She presented her erstwhile co-authored paper, *The Real Exchange Rate and Export Growth: Are Services Different* at the IMF, Washington; NCAER; and in the NIPFP organised **PIPE Conference**, the last two at New Delhi. Among her other presentations were: *The Global Financial Crisis and Indian Banks: Survival of the Fittest?* in the 10th Research Meeting of **NIPFP-DEA Research Programme**. Her coauthored papers, *India: Economic Reforms and Election Outcomes*; and *Growth and Election Outcomes in a Developing Country* came up for presentation in CII-Columbia University School of International and Public Affairs conference held at Bangalore and Hyderabad. Poonam Gupta was discussant of a paper titled, *Governance in the States* in a conference on **Growth, Poverty and Human Development: Selected Issues** at NIPFP.

She delivered a lecture on *Contribution of Service Sector to India's Growth* in NIPFP conducted training courses for probationers of the Indian Audit and Accounts Service; and Indian Economic Service.

She refereed articles for *Journal of International Money and Finance*, *Economics and Politics*; and *Indian Economic Review*. She also gave her inputs as an external referee to a Ph.D thesis from IIM, Bangalore.

Poonam Gupta's contribution by way of publications included a co-authored article in Oxford University Papers, subsequently published as a Working Paper by National Bureau of Economic Research; and three Working Papers (also coauthored) produced as NIPFP Working Paper. One of these and another coauthored one were published as MPRA Papers at the University Library of Munich, Germany. She wrote a co-authored article in an edited volume published by the World Bank.

The year 2012-13 witnessed her articles in *Deccan Chronicle*; *The Hindu*, *The Financial Express* and *Express India Policy Portal*.

Pratap Ranjan Jena, Associate Professor, rendered assistance to the Government of Sikkim by preparing the **Medium Term Fiscal Plan under FRBM Act of Sikkim**; wrote a **Background Study for India and Risk Assessment: Public Finance Management** under the sponsorship of ADB; and co-authored **The Review of Compliance of Odisha FRBM Act 2011-12**.

His recently initiated projects include **Preparation of MTFP for Sikkim for the year 2013-14**; and **Review of Compliance of the FRBM Act by the Sikkim Government for the year 2011-12**.

He participated in an international conference at Miami, Florida, USA, where he presented a paper on *Public Financial Management in India: Reforms and Scope for Innovations* ; and was a panel discussant in PEFA First Open Forum there. At the NIPFP's Annual **PIPE Conference**, he was discussant for two papers.

Pratap Ranjan Jena was invited by the Institute for Government Accounts and Finance (IGAF) to deliver lectures in their two training programmes and a workshop. The focus of his lectures was on *Fiscal Federalism in India; Public Expenditure and Financial Accountability: PFM Performance Measurement Framework*; and *A Mix of Financial Management and Performance Framework*. He made a presentation on *Sub-national Public Financial Management in India* before a Kenyan delegation that visited the Institute.

He coordinated a training programme on **Expenditure Management and Fiscal Policy** for senior officers of CGA in alliance with a colleague at NIPFP where he delivered a lecture on *Public Expenditure Management: Emerging Issues*. He lectured on the topic of his interest namely, *Fiscal Rules and Medium Term Fiscal Framework* in NIPFP training programme for probationers of Indian Audit and Accounts ; Indian Economic Service; Indian Statistical Service; University and College Teachers; and in a workshop also held at the NIPFP on **Role and Scope of Environmental Economics in Sustainable Development**.

During the year under review, P.R. Jena contributed two articles in journals, one Indian and the other international. He also coauthored a paper in an edited volume.

Lekha Chakraborty, Associate Professor, continued to be a Research Faculty Associate at the Levy Institute of Bard College, New York. In January 2013, she completed and submitted the final report, **Determining Competitiveness of Zn-Pb Mining in India Role Royalty Regime** to the project sponsors, Vedanta, Sterlite Industries. As a recipient of Faculty Research Award from Department of Foreign Affairs and International Trade (DFAIT) Canada, she spent five weeks of June-July, 2012 at Carleton University and coordinated with well-known Federal Departments of Government of Canada, such as Finance Canada, Statistics Canada, Defence Canada, to focus her work on **Integrating Time in Public Policy**.

She delivered lectures on "Macroeconomic Impact of Fiscal Deficit", "Fiscal Policy and Human Development: Gender Budgeting", "Theories of Public Expenditure" in the various capacity building programmes held at NIPFP for probationers of Indian Economic Service; Indian Audit and Accounts Service and Refresher Course for College and University Teachers.

Among her presentations is a paper accepted for presentation on “Macro policy making and Time Use” at a conference, **Time-use Research – The Volume of Time: Addressing Social Inequalities** at Rio de Janeiro; “Determining Financial Crowding Out in India: Revisiting Fiscal Deficit-Interest Rate Link”, at 68th IIPF Meeting at Dresden, Germany. Her paper on “Macro Policy Making on Unpaid Care Work: Does Integrating Time Use in Gender Budgeting Help?” has been accepted for an annual conference in California.

She was invited as an instructor in GEM-IWG’s 2012 Knowledge Networking Programme at Krakow.

Lekha Chakraborty was also a Resource Expert in a meeting on “Public Sector Management and Outcome Budgets” at an ADB Workshop at Kuala Lumpur. Her academic network included memberships in the following: International Institute of Public Finance, Germany; International Group on Gender and Macroeconomics, University of Utah; and as an Economist for Full Employment, The Levy Economics Institute of Bard College, New York. She is also a Life Member of the Indian Econometric Society.

Lekha’s published output during the year under review comprised of two working papers (one coauthored) at the Levy Economics Institute; two working papers (one co-authored) at NIPFP; a coauthored paper in an edited volume by NOVA Science Publishers Inc., New York; while another is in the pipeline for an edited volume.

Mita Choudhury, Associate Professor, along with her research team is bringing her co-authored study, **Selected Aspects of NRHM Expenditure at the State Level: A Focus on Rajasthan and Karnataka** to a completion. This study was part of an umbrella project, **Health Care Expenditure in India** sponsored by the Ministry of Health and Family Welfare. She was a member of the Expert Advisory Group to advise the Health Financing Team at the National Health System Resource Centre, a technical support institution with National Rural Health Mission, Government of India.

She delivered a lecture on “Financing the Health Sector in India” at some of the training programmes held at NIPFP; in a Refresher Course for College and University Teachers at Jamia Milia University; and at Jawaharlal Nehru University, New Delhi.

Her publication consisted of a coauthored paper, **Health Financing Reform in India’s Decentralized Health Care System** an edited volume published by International Monetary Fund, USA.

C. Bhujanga Rao, Assistant Professor, on behalf of NIPFP, coordinated two one-week training programmes for probationers of Indian Economic Service, 2011 and 2012 batch including preparation of their course material.

He attended several workshops held at NIPFP, New Delhi: **Fiscal Monetary Coordination** jointly organised by the RBI and the Institute; **Macroeconomic Analysis, Fiscal Policy and Forecasting**; and **Integrating Aadhar into Social Programmes and Improving Service Delivery**. In addition, he participated in the NIPFP-Columbia University collaborative workshop on **Growth, Poverty and Human Development in Indian States: Selected Issues**; UN-ESCAP-Indian Econometric Society organised lecture by Esther Duflo, and a conference in memory of Suresh Tendulkar at Delhi School of Economics.

He refereed two articles that appeared in the journal *Global Business Review*; and published a co-authored article in *Indian Journal of Economics*. He authored a monograph at Madras School of Economics with two others.

Mukesh Kumar Anand, Assistant Professor, submitted a **Report on Diesel Pricing** sponsored by Global Subsidies Initiative, International Institute of Sustainable Development, Geneva. Based on this, he brought out a Working Paper at NIPFP titled, “Diesel Pricing in India: Entangled in Policy Maze”. He also gave a seminar on this topic at TERI, New Delhi; and delivered a lecture at Management Development Institute, besides one in an NIPFP conducted training programme for officer trainees of Indian Audit and Accounts Service.

Other lectures of Mukesh Anand were focused on “Social Security and Pension Reforms” in NIPFP’s Refresher Course for University and College Teachers; and for probationers of Indian Audit and Accounts Service. He also lectured on “Oil Pricing Policy and the Indian Economy” in a weeklong training programme for in-service IAS officers at NIPFP.

His participation at other forums included a presentation on “Impact of Fossil Fuels on Indian Farming Sector”, a conference organised by Farmers’ Forum at New Delhi; an informal meeting with Lord John Prescott, Former Deputy Prime Minister and Member of Parliament, House of Lords, UK; and as a panelist in Budget 2013-14 Discussion by *Business Today*.

Manish Gupta, Assistant Professor, completed and submitted the study on **Fiscal and Monetary Policy aspects under Framework for Energy Efficient Economic Development Mechanism of National Mission for Enhanced Energy Efficiency** funded by the Bureau of Energy Efficiency. He is currently involved in the **Preparation of the 12th Five Year Plan of Meghalaya** with other members of the research team.

Manish Gupta conducted a two week training programme in **Public Finance** for Officer Trainees of the Indian Audit and Accounts Service. In this programme, he delivered two lectures on “State Finance Commissions”; and “Instruments for Energy Conservation in Industries in India”. He also delivered the above lectures in the NIPFP training programme

for the probationers of Indian Economic Service; and on “Energy Efficiency in Indian industries” and “Critical review of State Finance Commissions” in the 8th Refresher Course for University and College Teachers held at NIPFP. He delivered a lecture on “Energy Efficiency” at the 9th Refresher Course in Economics organized by the Academic Staff College, Jamia Millia Islamia.

His published output comprises of a co-authored article on *Own Revenue of Panchayats* in an edited volume; one on “Public Expenditure Choices and gender quotas” in an international journal; and a Working Paper on “Energy savings potential and energy conservation in industries in India” at NIPFP (both co-authored).

H.K Amar Nath, Assistant Professor, was member in the team that completed **Studies on Health Care Expenditure** sponsored by the Ministry of Health and Family Welfare. He has been incorporated as a team member in a recently initiated project by NIPFP **Unspent Balances under Rural Development Schemes** commissioned to NIPFP by Ministry of Rural Development.

Simanti Bandyopadhyay, Assistant Professor is away from the Institute since September, 2012 for a period of two years. During her stay at the Institute, she delivered the following lectures in the NIPFP conducted capacity building courses: “Economics of Cities: The Indian Experience” to participants of the Refresher Course for University and College Teachers; “Critical Issues in Urban Finances and Governance: The Indian Experience” to IES probationers; as also probationers of Indian Statistical Service.

Sacchidananda Mukherjee, Assistant Professor, was a member of the study team that carried out the **Study on Unaccounted Income/Wealth both Inside and Outside the Country** sponsored by the CBDT. The study report is being finalized. He was also a member of the team that carried out the study on **Revenue Potential of Himachal Pradesh: An Assessment and Suggestions for Reform**.

He delivered lectures on “GST in the context of Petroleum, Natural Gas and Electricity” and “Impact of Taxes on Petroleum Products” in the NIPFP conducted training programmes for probationers of IA&AS; Indian Statistical Service and Refresher Course for College and University Teachers. His academic presentations included a paper on “Economic Valuation of a Multiple Use Wetland Water System in the Gangetic Floodplain of West Bengal India” at **2012 World Water Week** in Stockholm; “Are Fiscal Subsidies Harmful for the Environment? Empirical Evidence from Cross-Country Estimation” with a co-author; and “Does Political competition improve human development performance? Evidence from the Indian States” with two co-authors, at the NIPFP 2012 **PIPE Conference** at New Delhi.

He participated in **Indian Water Week, 2013** at New Delhi and co-organised a session on *Domestic Water Quality—Issues and Mitigation*.

The year saw him co-edit a book published by Routledge, UK; a paper published in a leading international journal of Elsevier; and two working papers produced by NIPFP. All three of the papers were coauthored. He also co-authored an IHDP Policy Brief on **Translation in Social and Environmental Sustainability: Case of Energy Sector in few Asian Countries** which can be accessed through the internet.

Rudrani Bhattacharya, Assistant Professor, continued to render research inputs in the NIPFP-DEA Macroeconomics and Finance Group as member. Her ongoing project is on **Policy Analysis in the Process of Deepening Capital Account Openness** funded by the British Foreign and Commonwealth Office. During the year under review, she completed two coauthored analytical reports titled, **Financial Inclusion and Transition of Business Cycle – Stylised Facts in Emerging Economics: Insights from India**; and **Effect of Exchange Rate Movement on Domestic Prices: Role of Non-traded Sector in India**.

She was selected for the Young Scholar Grant by ICRIER and NBER to attend 2012 NBER Summer Institute during July 2012 vide which she attended several academic workshops in Boston, USA. She was also a participant in the Eurasia Business and Economic Society Conference at Rome to present a coauthored paper, “Outbound FDI from a Developing Economy: Is there Learning-by-doing among Indian Firms?”

Rudrani Bhattacharya organised and participated in a DGSE workshop for **Modeling India** at the Institute.

She was appointed member of the Expert Group for deriving seasonally adjusted series for short-term economic data constituted by the National Statistical Commission.

She co-authored two Working Papers in NIPFP’s Working Paper series during the year.

Madhavi Pundit, Assistant Professor left the Institute in January, 2013 to join the Economics and Research Department, Asian Development Bank, Manila, Philippines. During her stay at NIPFP, she was a member in the research team that completed the **NIPFP-UIDAI Programme on Financial Inclusion** sponsored by Unique Identification Authority of India, Planning Commission. She contributed research inputs, particularly in payments and systemic risk, to the **Financial Sector Legislative Reforms Commission** set up by the Ministry of Finance at NIPFP.

She was also engaged in the ongoing project, **Policy Analysis in the Process of**

Deepening Capital Account Openness, to conduct new research on business cycle phenomena in India and other emerging economies, till her departure.

Bharatee Bhusana Dash, Economist, worked in the NIPFP research team that completed the study of **Selected Aspects of NRHM Expenditure at the State-Level: A Focus on Rajasthan and Karnataka**. He is currently engaged in an ongoing project titled, **Financing Health Care Expenditure in India** sponsored by the Ministry of Health Care and Family Welfare.

He delivered two lectures on the subject of “Fiscal Federalism in India: A Political Economy Approach” in the NIPFP organised capacity building courses for University and College Teachers; and probationers of India Audit and Accounts Service.

Bharatee Bhusana Dash made two presentations on co-authored papers: “Does Political Composition Influence Human Development? Evidence from Indian States”; and “Fiscal Reforms, Fiscal Rules and Development Spending: How Indian States have Performed?” at the NIPFP’s Annual **PIPE Conference** at New Delhi. One of these papers was subsequently produced in the NIPFPs Working Paper series, while the other is being processed. On the former subject, he made a presentation at a conference held at the Centre for Training and Research in Public Finance and Policy, Kolkata; on the latter at NIPFP-JNU-Kagawa University conference at New Delhi.

Sudhanshu Kumar, Economist as a member of the research team assisted in the preparation of the draft report of **Study on Unaccounted Income/Wealth both Inside and Outside India**. The interim report has been submitted to the Ministry of Finance.

He delivered lectures on “Qualitative Response Models” and “Issues in Time Series Analysis” at MDI Gurgaon and on “Exchange Rate and Open Economy Macroeconomics” in a capacity building training programme for probationers of Indian Audit and Accounts Services at NIPFP. He was also the course coordinator for the NIPFP capacity building programme for probationers of Indian Statistical Service. He presented “ASEAN-India Free Trade Agreement, Palm Oil Trade and the Oil Subsidy” at NIPFPs Annual **PIPE Conference** held at New Delhi.

His publications output included two co-authored papers in journals brought out by Elsevier; and Emerald.

Anjan Mukherji, Honorary Visiting Professor remained engaged in paper presentations and in giving seminars at diverse venues. He presented “Bihar: what went wrong and what changed?” in the NIPFP Columbia University Conference on **Growth, Poverty,**

and Human Development in Indian States: Selected Issues jointly with a researcher from NIPFP which was subsequently brought out in the NIPFP Working Paper series. He was Visiting Professor at the Economics Department, Mumbai University for a few days in September 2012 during which he gave two seminars on **What should Government do?**; and **Is Competitive Behaviour the Best Response?** The former seminar was later delivered at the Ambedkar University; and the latter at the Central University, Hyderabad.

At an International Dialogue Forum organised by the Delhi Centre of Indian Statistical Institute, Anjan Mukherji presented the keynote address titled, "Development, Governance, and Poverty Reduction: The Bihar Experience".

He chaired a session on Economic Theory at IGIDR Silver Jubilee Conference; and sessions on India-Bihar and India-Central at the Growth Week held at London School of Economics. He organised and conducted the 6th NIPFP-JNU-Kagawa University workshop on **Economic Theory and Policy** in the Institute premises.

He has contributed a chapter each in forthcoming edited volumes (one coauthored) and an article in the International *Journal of Economic Theory*.

Radhika Pandey, Consultant, is a member of the team working on **Policy Analysis in the Process of Deepening Capital Account Openness**, sponsored by the British High Commission. She was also a member of the technical research team that has provided inputs to the **Financial Sector Legislative Reforms Commission**. The Commission submitted its report to the Government of India in March, 2013.

She presented a paper on "Are Fiscal and Monetary Policies in India Procyclical?" in **NIPFP-Macro-DSGE Workshop, 2012**.

She co-authored an article "Has India Emerged? Business Cycle Facts from a Transitioning Economy" with two other researchers. The article was published in *Structural Change and Economic Dynamics*.

Gita Bhatnagar, Research Associate continued to update the data of State Finances under the ongoing NIPFP project, **Public Finance Information System**. She retrieves the said data from *Finance Accounts* and *Budgets* of the Central and State Governments.

Satadru Sikdar, Research Associate, rendered research assistance to the Emeritus Professor and a Professor at NIPFP for completion of the project, **Quality of Governance among Indian States**. He co-authored two articles, one of which appeared in the *Economic and Political Weekly*; the other was published as a chapter in *India Infrastructure Report*. The former was also produced as a Working Paper of NIPFP.

S. Siva Chidambaram, Sr. Library and Information Officer received a Ph.D degree from University of Rajasthan. The topic of his thesis was **Effectiveness of INDEST Consortium in Providing E-Access to Scholarly Journals and Databases at Special Libraries in Delhi: A Critical Study**. During the year 2012-13, he was an invited participant at various fora: 4th OECD World Forum on Statistics, Knowledge and Policy; UNIC-JNU seminar on **Knowledge Sharing on Sustainable Development; National Data Dissemination Workshop** by Census Organisation in India; and **2nd International Conference of Academic Libraries**.

He was a special invitee at the National Conference on **Human Resource Development in Library Services in India**; a resource person at a one-day meet of Library Professionals of NCR Institutions for Effective Resource Sharing at the Shiv Nadar University; and delivered a lecture on “Digital Library Consortium Development in India” at NASSDOC, New Delhi.

He presented a paper titled, “*Basics of Big Data: Pearls from Experts*” at an international conference on Academic Library Services at Guru Gobind Singh University, New Delhi.

Rita Wadhwa, Editor, edited and produced 20 Working Papers on behalf of NIPFP during the fiscal year 2012-13. She wrote, edited, compiled, designed and published the Annual Report of NIPFP which is tabled in the winter session of the Parliament each year. The follow-up for its Hindi translation (mandatory) and production was also part of her responsibilities. Rita Wadhwa copy edited and produced the bi-annual Newsletters of the Institute.

The year under review also saw her prepare, design, and print the NIPFP brochure; a brochure for the **Delhi Economics Conclave** was also produced by her.

9 NIPFP STAFF

The complete list of staff members- permanent and contractual – as on March 31, 2013, is at **Annexure VI.**

10 SPONSORING MEMBERS

The sponsoring, corporate, permanent, and ordinary members of the Institute, as on March 31, 2013, may be seen at **Annexure VII.**

11 FINANCE & ACCOUNTS

The statement of Accounts of the Institute for the financial year 2012-13, duly audited by the Institute's auditors *M/s Singh, Krishna & Associate*, Chartered Accountants, is at **Annexure VIII.**

LIST OF STUDIES 2012-2013

Title	Sponsoring Agency/Research Unit of the Institute	Author(s) Research Team
STUDIES COMPLETED		
1. Impact of Gold on CAD and other Macroeconomic Outcomes in 12 th Plan Period	Planning Commission,	Sudipto Mundle N.R. Bhanumurthy Sukanya Bose Surajit Das
2. Subsidy Elimination With and Without a Global Price Shock: The Macro-Economics of Oil Price Policy Reform	Planning Commission Gol	Sudipto Mundle N.R. Bhanumurthy Sukanya Bose
3. NIPFP-UIDAI Program on Financial Inclusion	Unique Identification Authority of India	Ajay Shah Ila Patnaik Madhavi Pundit Suyash Rai Sumathi Chandrasekaran Smriti Parsheera Kumar Anand Shubho Roy Neena Jacob
4. Research Inputs for the Financial Sector Legislative Reforms Commission	Ministry of Finance Govt. of India	Ajay Shah Ila Patnaik Madhavi Pundit Suyash Rai Shubho Roy Radhika Pandey Sumathi Chandrasekaran Smriti Parsheera Kausalya Venkataraman Kumar Anand Pratik Datta Apoorva Ankur Mishra

Sawmya Rao
Ankur Narain
Saxena
Anmol Kulkarni
Bhavna Jaisingh
Aishwarya Kumar
Parikshit Kabra
Neena Jacob

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| 5. Policy Analysis in the Process of Deepening Capital Account Openness | British High Commission UK (ongoing) | Ajay Shah
Ila Patnaik
Rudrani
Bhattacharya
Madhavi Pundit
Radhika Pandey
Apoorva Gupta
Shekhar Hari Kumar
Vikram Bahure
Neena Jacob |
| <ul style="list-style-type: none"> • Financial Inclusion and Transition Of Business Cycle-Styled Facts in Emerging Economies: Insight From India • Effect of Exchange Rate Movement on Domestic Prices: Role of Non-Traded Sector in India | Completed in 2012-13 | |
| 6. Base Paper for the Committee to Study Development in Hill States Arising from Management of Forest Lands | Planning Commission Gol | Rita Pandey |
| 7. Promoting Effective Utilisation of the National Clean Energy Fund | Climate Works Foundation | Rita Pandey
Sanjay Bali
Nandita Mongia |
| 8. Program on Indian Economic Policies: Free Trade, Democracy and Entrepreneurial Development | Columbia University | M. Govinda Rao
Sudipto Mundle
Pinaki Chakraborty
Samik Chowdhury |
| 9. Review of Compliance with Provisions in the FRBM Act of Odisha 2011-12 | Govt. of Odisha | Tapas K. Sen
Pratap Ranjan Jena |
| 10. Criminals in Elections: Evidence from India | RBI Unit | Poonam Gupta
Bhaskar Dutta |
| 11. Export of Services: The Indian Experience | RBI Unit | Poonam Gupta
Barry Eichengreen |

12. The Real Exchange Rate and Export Growth: Are Services Different?	RBI Unit	Poonam Gupta Barry Eichengreen
13. NRHM Expenditure at the State-Level: A Focus on Rajasthan and Karnataka	Ministry of Health and Family Welfare	Mita Choudhury H.K. Amar Nath Bharatee Bhusana Dash
14. Competitiveness of Zinc-Lead Mining in India: Role of Royalty Regime	Vedanta Sterlite Industries Ltd.,	Lekha Chakraborty
15. Fiscal and Monetary Policy aspects under Framework for Energy Efficient Economic Development Mechanism of National Mission for Enhanced Energy Efficiency	Bureau of Energy Efficiency	Manish Gupta
16. Diesel Pricing in India: Entangled in Policy Maze	Global Subsidies Initiative (GSI) of International Institute of Sustainable Development (IISD), Geneva	Mukesh Kr. Anand
17. Assessing the Quality of Governance in Indian States	NIPFP	Sudipto Mundle Pinaki Chakraborty Satadru Sikdar

ON-GOING STUDIES

1. Study on Unaccounted Income/ Wealth both Inside and Outside the Country	Central Board of Direct Taxes, Ministry of Finance, Gol	R. Kavita Rao Sacchidananda Mukherjee D.P. Sengupta Sudhanshu Kumar S.S. Khan Sudatta Banerjee Suranjali Tandon Deborshi Brahmachari Shreyas Tirunagar Krishna Dev
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2. Revenue Potential of Himachal Pradesh: An Assessment and Suggestions for Reform	Government of Himachal Pradesh	R. Kavita Rao Sacchidananda Mukherjee D. P. Sengupta Suranjali Tandon Deborshi Brahmachari
3. Estimation of Revenue Neutral Rate at the State Level	Empowered Committee of State Finance Ministers	R. Kavita Rao Pinaki Chakraborty
4. Approaches for Controlling the CAD during 12 th Plan Period	Planning Commission, Gol	Sudipto Mundle N.R. Bhanumurthy Sukanya Bose
5. Macro Economic Analysis, Fiscal Policy and Forecasting	Dept. of Economic Affairs, MoF, Gol	Sudipto Mundle N.R. Bhanumurthy Sukanya Bose Shovanbrata Talukdar
6. Research on Business Cycles	India Value Fund Associates	Ajay Shah Ila Patnaik Rudrani Bhattacharya Madhavi Pundit Radhika Pandey Vikram Bahure
7. NIPFP-DEA Research Programme	Dept. of Economic Affairs, Ministry of Finance, Gol	Ajay Shah Ila Patnaik Rudrani Bhattacharya Bhavna Jaisingh Shekhar Hari Kumar Vikram Bahure Pramod Sinha Pinaki Mahata Mukherjee Aishwarya Kumar Apoorva Gupta Sumathi Chandrashekar Karan Anand Akhilesh Kr. Verma Akhil Dua

		Shreeya Kashyap Aakriti Mathur Suranjana Soumen
8. Preparation of the 12 th Five Year Plan of Meghalaya	Govt. of Meghalaya	Tapas K. Sen Manish Gupta Anuradha Bhasin
9. Developmental Disability Index for Hill States In India	Planning Commission	Rita Pandey Purnamita Dasgupta
10. Financing Healthcare Expenditure In India	Ministry of Health and Family Welfare	Mita Choudhury H.K Amar Nath Bharatee Bhusana Dash
11. Public Finance Information System	SFU, NIPFP	Tapas K. Sen Diwan Chand Gita Bhatnagar
12. Experience of Inter-Governmental Fiscal Arrangements in Emerging Market Economies for the 14 th Finance Commission	Fourteenth Finance Commission, Gol	Tapas K. Sen Sudhanshu Kumar Manish Gupta H.K. Amar Nath Bharatee Bhusana Dash
13. Award of the Assignment Pertaining to Assessment of the Riskiness of the Airport Sector and Estimating Fair Rate of Return on Equity (RoE)	Airports Economic Regulatory Authority of India	Ajay Shah Suyash Rai Aishwarya Kumar Vikram Bahure

NEW PROJECT INITIATED

- **Tax Policy and Enterprise Developing in South Asia**
- **Unspent Balances under Rural Development Schemes**

WORKING PAPER SERIES

- | | |
|---|---|
| 1. Exports of Services: Indian Experience in Perspective (Working Paper No. 102, June 2012) | Barry Eichengreen
Poonam Gupta |
| 2. Foreign Investors under Stress: Evidence From India (Working Paper No. 103, June 2012) | Ila Patnaik
Ajay Shah
Nirvikar Singh |
| 3. The Quality of Governance: How Have Indian States Performed? (Working Paper No. 104, July 2012) | Sudipto Mundle
Pinaki Chakraborty
Samik Chowdhury
Satadru Sikdar |
| 4. Energy Savings Potential and Policy for Energy Conservation in Selected Indian Manufacturing Industries (Working Paper No. 105, September 2012) | Manish Gupta
Ramprasad Sengupta |
| 5. New Thinking on Corporate Bond Market in India (Working Paper No. 106, September 2012) | Sanjay Banerji
Krishna Gangopadhyay
Ila Patnaik
Ajay Shah |
| 6. Bihar: What Went Wrong? And What Changed? (Working Paper No. 107, September 2012) | Arnab Mukherji
Anjan Mukherji |
| 7. Diesel Pricing in India : Entangled in Policy Maze (Working Paper No. 108, October 2012) | Mukesh Kr. Anand |
| 8. How Indian Voters Respond to Candidates with Criminal Charges: Evidence from the 2009 Lok Sabha Elections (Working Paper No. 109, October 2012) | Bhaskar Dutta
Poonam Gupta |
| 9. Determination of Interest Rate in India: Empirical Evidence on Fiscal Deficit-Interest Links and Financial Crowding Out (Working Paper No. 110, December 2012) | Lekha Chakraborty |
| 10. Public Expenditure Benefit Incidence on Health: Selective Evidence from India (Working Paper No. 111, December 2012) | Lekha Chakraborty
Yadawendra Singh
Jannet Jarida Jacob |

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| 11. The Real Exchange Rate and Export Growth: Are Services Different? (Working Paper No. 112, December 2012) | Barry Eichengreen
Poonam Gupta |
| 12. The Financial Crisis and Indian Banks: Survival of the Fittest? (Working Paper No. 113, December 2012) | Barry Eichengreen
Poonam Gupta |
| 13. Property Tax System in India: Problems and Prospects of Reform (Working Paper No. 114, January 2013) | M. Govinda Rao |
| 14. Does Weak Rupee Matter for India's Manufacturing Exports? (Working Paper No. 115, January 2013) | N.R. Bhanumurthy
Chandan Sharma |
| 15. Comovement in Business Cycles and Trade in Intermediate Goods (Working Paper No. 116, January 2013) | Madhavi Pundit |
| 16. Negative Influence of Fiscal Subsidies on Environment: Empirical Evidence from Cross-Country Estimation (Working Paper No. 117, January 2013) | Sacchidananda Mukherjee
Debashis Chakraborty |
| 17. Does Political Competition Influence Human Development? Evidence from Indian States (Working Paper No. 118, February 2013) | Bharatee Bhusana Dash |
| 18. Fiscal Imbalances and Indebtedness Across Indian States: Recent Trends (Working Paper No. 119, February 2013) | Tapas K. Sen
Santosh K. Dash |
| 19. Emerging Economy Business Cycles: Financial Integration and Terms (Working Paper No. 120, March 2013) | Rudrani Bhattacharya
Ila Patnaik
Madhavi Pundit |
| 20. Credit Constraints, Productivity Shocks and Consumption Volatility in Emerging Economies (Working Paper No. 121, March 2013) | Rudrani Bhattacharya
Ila Patnaik |

INTERNAL SEMINAR SERIES

	Day and Date	Seminar	Topic
1.	Monday August 6, 2012	Sanjeev Gupta Deputy Director Fiscal Affairs Dept. IMF	<i>Income Inequality and Fiscal Policy</i>
2.	Tuesday August 21, 2012	Tarun Ramadorai Professor, Said Business School University of Oxford	<i>Understanding India's Equity Trading Behaviour</i>
3.	Tuesday January 22, 2013	Stanley L. Winer Professor, Carleton University	<i>Taxation of Inherited Wealth and Bequests: An Empirical Investigation</i>

ANNEXURE III

LIST OF GOVERNING BODY MEMBERS AS ON 31.3.2013

1. Dr. C. Rangarajan
[Chairman, NIPFP]
Chairman
Economic Advisory Council to the Prime Minister
E-Block, Vigyan Bhawan Annexe
Maulana Azad Road
New Delhi-110 011
Chairman

Under Rule 7(b)(i)

Three nominees of the Ministry of Finance

2. Shri Sumit Bose
Revenue Secretary
Ministry of Finance
Government of India
Room No.128-A
North Block
New Delhi-110001
Member
3. Shri Arvind Mayaram
Secretary (Economic Affairs)
Ministry of Finance
Government of India
North Block
New Delhi-110001
Member
4. Dr. Raghuram Rajan
Chief Economic Adviser
Ministry of Finance
Government of India
Room No.167-D
North Block
New Delhi 110 001
Member

Under Rule 7(b)(ii)
One nominee of the RBI

5. Mrs. Balbir Kaur
Adviser
Department of Economic and Policy Research
Reserve Bank of India
Central Office Building
Shaheed Bhagat Singh Marg
Mumbai 400 001
- Member

Under Rule 7(b)(iii)
One nominee of the Planning Commission

6. Ms. Sindhushree Khullar
Secretary
Planning Commission
Yojana Bhawan
Parliament Street
New Delhi 110001
- Member

Under Rule 7(b)(iv)
Three nominees of sponsoring State Govts.

7. Dr. V.P. Joy, IAS
Principal Secretary
Finance Department
Government of Kerala
Finance (PU-B) Department
Thiruvananthapuram
- Member
8. Shri Paban Kumar Borthakur, IAS
Commissioner and Secretary
Finance Department
Government of Assam
Assam Sachivalaya
Dispur, Guwahati
- Member
9. Shri S.K. Shrivastava
Principal Secretary (Finance)
Government of Maharashtra
Room no.325, 3rd floor
Mantralaya, Mumbai 400 032
- Member

Under Rule 7(b)(vi)

One nominee of the ICICI Bank

10. Shri Rakesh Jha Member
Deputy Chief Financial Officer
ICICI Bank
ICICI Bank Towers
Bandra-Kurla Complex, Bandra East
Mumbai 400 051

Under Rule 7(b)(vii)

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R. KAVITA RAO

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- b. (co-author: Chakraborty, Pinaki), 2013. Fiscal Reforms, Fiscal Rule and Development Spending: How Have Indian States Performed?, NIPFP Working Paper (forthcoming)
- c. (co-author: Raja, Angara V.), "Do Political Determinants Affect the Size and Composition of Public Expenditure? A Study of the Indian States", *International Review of Economics* (forthcoming)
- d. (co-author: Raja, Angara V.), "Intergovernmental Transfer and Tax Collection in India: Does the Composition of Transfer Matter?" *Public Budgeting and Finance* (forthcoming)

SUDHANSHU KUMAR

- a. (co-author: Srinivasan, Naveen), 2012. "Zone-quadratic Preference, Asymmetry and International Reserve Accretion in India: An Empirical Investigation", *Journal of International Financial Markets, Institutions and Money*, 22(2); 253-263. Elsevier.
- b. (co-authors: Srinivasan, Naveen and M. Ramachandran), 2012. "A Time-Varying Parameter Model of Inflation in India", *Indian Growth and Development Review*, 5(1);25-50, Emerald.

ANJAN MUKHERJI

- a. -----, 2012. "The Second Fundamental Theorem of Welfare Economics", *International Journal of Economic Theory*, 8;125-138 (June).
- b. (editors: Marjit, Sugata and Meenakshi Rajeev), "Is Competitive Behavior the Best Response?" forthcoming)
- c. (co-author: Mukherjee, Arnab), "Governance, Governance and Governance: Sushashan and the New Bihar", in (eds.) Singh N.K. and Nick Stern, forthcoming collection by Harper and Collins.

- d. (co-author: Mukherjee, Arnab), 2012. Bihar: What Went Wrong? And What Changed?. NIPFP Working Paper No. 107 (September)

RADHIKA PANDEY

- a. (co-authors: Ghate, Chetan, Ila Patnaik), 2013. "Has India Emerged? Business Cycle Facts from a Transitioning Economy", *Structural Change and Economic Dynamics*, 24;157-172 (March).

SATADRU SIKDAR

- a. (co-authors: Mundle, Sudipto, Pinaki Chakraborty and Samik Chowdhury), 2012. "The Quality of Governance: How Have Indian States Performed?" *Economic and Political Weekly* 47(49);41-52 and NIPFP Working Paper No. 104 (July).
- b. (co-author: Mukherjee, Anit N.), 2013. "Public Expenditure on Education in India by the Union Government and Roadmap for the Future", Chapter 2 in *India Infrastructure Report 2012 – Private Sector in Education*. Routledge.

ANNEXURE VI

LIST OF STAFF MEMBERS AS ON 31.03.2013

1. Dr. C. Rangarajan	Chairman
2. Dr. Rathin Roy	Director (joined on 1.5.2013)
3. Dr. M. Govinda Rao	Director (relieved on 28.1.2013)
4. Dr. Tapas Kumar Sen	Professor & Acting Director
5. Dr. (Ms.) Rita Pandey	Professor
6. Dr. (Ms.) R. Kavita Rao	Professor
7. Dr.(Ms.) Ila Patnaik	Professor
8. Dr. Ajay Shah	Professor
9. Dr. Pinaki Chakraborty	Professor
10. Dr. N.R.Bhanumurthy	Professor
11. Dr. Poonam Gupta	Professor (RBI Chair)
12. Dr. Anit Nath Mukherjee	Associate Professor*
13. Dr. Pratap Ranjan Jena	Associate Professor
14. Dr.(Ms.)Lekha S.Chakraborty	Associate Professor
15. Dr.(Ms)Mita Choudhury	Associate Professor
16. Dr. C. Bhujanga Rao	Assistant Professor
17. Dr. Mukesh Kumar Anand	Assistant Professor
18. Dr. H.K. Amarnath	Assistant Professor
19. Dr. Manish Gupta	Assistant Professor
20. Dr.(Ms) Simanti Bandopadhyay	Assistant Professor*
21. Shri Diwan Chand	Sr. Research Officer (Data Bank)
22. Dr.Sacchidananda Mukherjee	Assistant Professor
23. Dr.Rudrani Bhattacharya	Assistant Professor
24. Dr. Madhavi Pundit	Assistant Professor (left on 7.1.2013)
25. Mr. Surjit Das	Economist (left on 31.7.2012)
26. Shri Bharatee Bhushan Dash	Economist
27. Shri Sudhanshu Kumar	Economist
28. Shri A.K. Halen	Junior Economist
29. Mrs. Gita Bhatnagar	Research Associate
30. Mr. Satadru Sikdar	Research Associate

* Leave without Pay (LWP) up to 31.12.2013 and 16.9.2014 respectively.

ADMINISTRATIVE STAFF

1. Mrs. Alka Matta	Secretary
2. Ms. Sushila Panjwani	Sr. PPS to Chairman (on deputation)
3. Shri Naveen Bhalla	Senior Administrative Officer
4. Mrs. Rita Wadhwa	Editor
5. Mrs. Romasha Mishra Pandey	Accounts Officer
6. Shri Hari Shankar	Hostel Manager (retired on 31.07.2012)
7. Shri Satish Prabhu	Estate Officer
8. Shri R.S. Tyagi	Private Secretary
9. Shri Praveen Kumar	Private Secretary (on deputation from 15.2.2013)
10. Shri Vikram Singh Chauhan	P S to Director
11. Shri S.C. Sharma	Executive Officer (Accounts)
12. Shri Bhaskar Mukherjee	Executive Officer (Admin)
13. Shri B.S. Rawat	Accounts Executive
14. Shri Parvinder Kapur	Stenographer Gr. I
15. Mrs. Promila Rajvanashi	Stenographer Gr. I
16. Mrs. Kavita Issar	Stenographer Gr. I
17. Mrs. Indra Hassija	Assistant
18. Shri S.N. Sharma	Assistant
19. Shri J.S. Rawat	Assistant
20. Shri K.K. Ahuja	Stenographer Gr. II
21. Shri Anurodh Sharma	Stenographer Gr. II
22. Shri Darshan Singh Panwar	Stenographer Gr. II
23. Mrs. Amita Manhas	Stenographer Gr. II
24. Mrs. Usha Mathur	Steno-typist** (on Leave without Pay)
25. Mr. R. Surendran	Steno-typist
26. Mr. Wasim Ahmad	Steno-typist
27. Mr. Sarvesh Kumar Sharma	Clerk (Accounts)
28. Mrs. Deepika Rai	Clerk (Accounts)
29. Mrs. Ruchi Anand	Telephone Operator cum Receptionist
30. Shri Raju	Staff Car Driver (Gr. I)
31. Shri Parshu Ram Tiwari	Staff Car Driver
32. Shri Mohan Singh	Photocopy Operator
33. Shri Kishan Singh	Hostel Attendant

34. Shri Shiv Bahadur	Gardener
35. Shri K.N.Mishra	Watchman
36. Shri Bishamber Pandey	Watchman
37. Mrs. Kamla Tiwari	Messenger
38. Mrs. Pallai	Gardener (retired on 28.02.2013)
39. Shri Shiv Pratap	Gardener
40. Shri.Rajan Dhaka	Messenger (on deputation from 15.2.2013)
41. Shri.Ajay Kumar	Messenger
42. Shri.Mukesh	Messenger
43. Shri Rajender Kumar	Messenger

COMPUTER UNIT

1. Shri N.K. Singh	EDP Manager
2. Shri Jagdish Arya	Research Officer (Communication)
3. Shri Anil Kumar Sharma	Superintendent (Computer)

LIBRARY STAFF

1. Shri Siva Chidambaram	Senior Library and Information Officer
2. Mrs. Sarika Gaur	Assistant Library & Information Officer
3. Shri P.C.Upadhyay	Assistant Library & Information Officer
4. Mrs. Manju Thakur	Senior Library and Information Assistant
5. Mrs.Azad Kaur	Senior Library and Information Assistant
6. Shri Dharamvir	Sr. Library Attendant
7. Mrs. Annamma George	Jr. Library Attendant (Retired on 31.12.2012)
8. Shri Harish Chand	Messenger (on deputation from 1.3.2013)
9. Shri Puran Singh	Messenger

CONTRACTUAL STAFF

ACADEMIC

1. Mr. D.P.Sengupta	Principal Consultant
2. Mr. S.S.Khan	Principal Consultant
3. Ms. Neena Jacob	Programme Manager
4. Ms. Suhasini Prasad	Programme Officer
5. Mr. Shubho Roy	Consultant
6. Dr. Sukanya Bose	Consultant
7. Ms. Bhavana Jai Singh	Consultant
8. Mr. Deborishi Brahmachari	Project Associate
9. Ms. Suranjali Tandon	Research Associate
10. Mr. Sovanbrata Talukdar	Consultant
11. Ms. Sumati Chandrasekaran	Consultant
12. Ms. Smriti Parsheera	Legal Consultant
13. Mr. Shekhar Hari Kumar	Project Associate
14. Mr. Triveni Yadav	Consultant
15. Mr. Vikram Bahure	Consultant
16. Mr. Suyash Rai	Consultant
17. Ms. Apoorva Gupta	Consultant
18. Ms. Aishwarya Kumar	Consultant
19. Ms. Kausalya Venkataraman	Consultant (left on 7.3.2013)
20. Mr. Honey Karun	Project Associate
21. Mr. Abhishek Gupta	Consultant
22. Mr. Pramod Sinha	Consultant
23. Mr. Pinaki Mahata Mukherjee	Consultant
24. Mr. R.Mani	Consultant (Administration)
25. Mr. Mohit Sharma	Project Associate
26. Mr. Ruby Thomas	Consultant
27. Mr. Akhilesh Kr.Verma	Consultant
28. Mr. K.L.Ahuja	Clerk of Works
29. Ms. Sargam Gupta	Project Associate
30. Mr. Karan Anand	Consultant
31. Mr. Akhil Dua	Consultant
32. Mr. Parikshit Kabra	Intern

33. Ms. Soumya Rao	Consultant
34. Ms. K.Aishwarya	Consultant
35. Mr. Santosh Kr.Dash	Project Associate
36. Mr. Animesh Kumar	Consultant
37. Mr. Amarjyoti Mahato	Project Associate
38. Ms. Shreya Kashyap	Consultant
39. Mr. Aakrit Mathur	Consultant
40. Mr. Sanjay Bali	Research Associate
41. Mr. Rishabh Sharma	Software Developer
42. Mr. Kumar Anand	Consultant (left on 31.03.2013)
43. Mr. Ankur Narain Saxena	Legal Consultant
44. Ms. Suranjana Soumen	Consultant (left on 31.03.2013)
45. Dr. Radhika Pandey	Consultant (left on 20.3.2013)
46. Mr. Pratik Dutta	Legal Consultant (left on 31.03.2013)
47. Mr. Apoorva Ankur Mishra	Legal Consultant (left on 19.3.2013)
48. Mr. Amol Kulkarni	Consultant (left on 31.03.2013)
49. Mr. Shekhar Sharma	Research Programmer (left on 7.3.2013)

**LIST OF SPONSORING, CORPORATE, PERMANENT AND
ORDINARY MEMBERS AS ON 31.3.2013**

A. SPONSORING MEMBERS

STATES

1. Andhra Pradesh
2. Assam
3. Gujarat
4. Karnataka
5. Kerala
6. Maharashtra
7. Orissa
8. Punjab
9. Rajasthan
10. Tamil Nadu
11. Uttar Pradesh
12. West Bengal

OTHERS

1. Associated Chambers of Commerce and Industry of India
2. Federation of Indian Chambers of Commerce and Industry
3. Industrial Credit and Investment Corporation of India Ltd.

B. PERMANENT MEMBERS –STATES/UNION TERRITORIES

1. Arunachal Pradesh
2. Goa, Daman and Diu
3. Himachal Pradesh
4. Madhya Pradesh
5. Meghalaya
6. Manipur
7. Nagaland

C. ORDINARY MEMBERS – STATES/UNION TERRITORIES

1. Haryana
2. Government of Tripura

OTHERS

1. M/s. Hindustan Lever Limited
2. M/s. 20th Century Finance Corporation
3. M/s. Gujarat Ambuja Cement Ltd.
4. M/s. ICRA Limited



FINANCE & ACCOUNTS

SINGH KRISHNA & ASSOCIATES

CHARTERED ACCOUNTANTS

8, Ground Floor, Krishna Market, Kalkaji, New Delhi-110019
Tel: 32500444, Telefax: 40590344, email: skaca@airtelmail.in

AUDITORS' REPORT

To the Members of the General Body of NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY

We have audited the attached Balance Sheet of National Institute of Public Finance and Policy, New Delhi, a society registered under the Societies Registration Act, 1860, as at March 31, 2013 and also the Income and Expenditure Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the Institute. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- i. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. in our opinion, proper books of account as required by law have been kept by the Institute so far as appears from our examination of the books;
- iii. the Balance Sheet and the Income and Expenditure Account dealt with by this report are in agreement with the books of account;
- iv. The Balance Sheet and Income & Expenditure Account dealt with by this report comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India.
- v. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of Balance Sheet of the state of affairs of the Institute as at March 31, 2013; and
 - b. in the case of Income and Expenditure Account, of the surplus for the year ended on that date.

for Singh, Krishna & Associates
Chartered Accountants
Firm's Registration No. 008714C

sd/-
(Krishna Kumar Singh)
Partner
M.No.: 077494

Place : New Delhi

Date :

NATIONAL INSTITUTE OF PUBLIC FINANCE & POLICY

BALANCE SHEET AS AT MARCH 31, 2013

		Amount in ₹	
	Schedule #	As at 31 Mar,13	As at 31 Mar, 12
CORPUS/ CAPITAL FUND AND LIABILITIES			
Corpus/ Capital Fund	1	114,020,454	104,473,714
Reserves and Surplus	2	123,810,714	112,210,714
Deferred Income	3	19,924,406	19,865,803
Endowment/ Earmarked Funds	4	211,658,778	96,938,679
Current Liabilities and Provisions	5	59,543,869	47,458,545
		528,958,221	380,947,455
ASSETS			
Fixed Assets (Including Capital Work-in-Progress)	6	65,985,422	64,148,403
Investments - Endowment/ Earmarked Funds	7	105,478,015	92,907,920
Investments - Others	8	163,350,196	148,329,000
Current Assets, Loans, Advances, etc.	9	194,144,588	75,562,132
		528,958,221	380,947,455
Significant Accounting Policies	19		
Notes on Accounts	20		

Schedules 1 to 20 form an integral part of the accounts

sd/- (Romasha Mishra) Accounts Officer	sd/- (Alka Matta) Secretary	sd/- (Dr. Rathin Roy) Director	sd/- (Dr. C. Rangarajan) Chairman
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As per our report of even date attached

for Singh Krishna & Associates
Chartered Accountants
Firm's Registration No. 008714C

sd/-
(Krishna Kumar Singh)
Partner
M. No. 077494

Place : New Delhi
Date :

NATIONAL INSTITUTE OF PUBLIC FINANCE & POLICY
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013

		Amount in ₹	
	Schedule #	Year Ended 31 Mar, 13	Year Ended 31 Mar,12
INCOME			
Grants from the Central and State Governments	10	71,829,146	78,262,000
Income from Academic Activities	11	96,135,370	90,194,677
Interest Earned	12	14,617,138	12,277,327
Other Income	13	11,331,143	9,724,823
Increase/ (Decrease) in Publication Stock		(2,974)	(50,342)
Prior Period Income	14	6,562	23,757
		193,916,385	190,432,242
EXPENDITURE			
Establishment Expenses	15	64,465,864	56,020,449
Expenditure on Academic Activities	16	79,831,474	72,391,738
Administrative Expenses	17	23,912,962	18,413,776
Depreciation	6	5,991,282	9,239,448
Prior Period Expenses	18	5,338	49,704
		174,206,920	156,115,115
Balance being Excess of Income over Expenditure		19,709,465	34,317,127
Less : Amount transferred to Reserve for Additional Liability		6,600,000	11,800,000
Amount transferred to General Reserve		5,000,000	15,000,000
		8,109,465	7,517,127
Balance being Surplus Carried to Corpus/ Capital Fund			
Significant Accounting Policies	19		
Notes on Accounts	20		
Schedules 1 to 20 form an integral part of the accounts			

sd/- (Romasha Mishra) Accounts Officer	sd/- (Alka Matta) Secretary	sd/- (Dr. Rathin Roy) Director	sd/- (Dr. C. Rangarajan) Chairman
--	-----------------------------------	--------------------------------------	---

As per our report of even date attached

for Singh Krishna & Associates
Chartered Accountants
Firm's Registration No. 008714C

sd/-
(Krishna Kumar Singh)
Partner
M. No. 077494

Place : New Delhi
Date :

NATIONAL INSTITUTE OF PUBLIC FINANCE & POLICY
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013

	Amount in ₹	
	As at 31 Mar,13	As at 31 Mar, 12
SCHEDULE 1 - CORPUS/ CAPITAL FUND		
Balance at the beginning of the year	104,473,714	96,956,587
Add: UNDP Fund transferred from Project Grants	1,437,275	-
Add: Surplus transferred from Income & Expenditure Account	8,109,465	7,517,127
	114,020,454	104,473,714
TOTAL	114,020,454	104,473,714
SCHEDULE 2 - RESERVES AND SURPLUS		
A. Reserve for Additional Liability		
As per last account	29,089,863	17,289,863
Addition during the year	6,600,000	11,800,000
	35,689,863	29,089,863
B. General Reserve		
As per last account	83,120,851	68,120,851
Addition during the year	5,000,000	15,000,000
	88,120,851	83,120,851
TOTAL	123,810,714	112,210,714
SCHEDULE 3 - DEFERRED INCOME		
Grant from the Central Government for Construction of Building for Research and Training Centre		
As per last account	19,732,446	23,173,190
Less: Amount equivalent to depreciation on such assets transferred to Income & Expenditure Account	493,311	3,440,744
	19,239,135	19,732,446
Grant from various Sponsors used for Capital Assets		
As per last account	133,357	357,438
Addition during the year	851,205	-
Less: Amount equivalent to depreciation on such assets transferred to Income & Expenditure Account	299,291	224,081
	685,271	133,357
TOTAL	19,924,406	19,865,803

NATIONAL INSTITUTE OF PUBLIC FINANCE & POLICY
SCHEDULES FORMING PART OF THE BALANCE SHEET
AS AT MARCH 31, 2013

SCHEDULE 4 - ENDOWMENT/ EARMARKED FUNDS

Amount in ₹

Particulars	Ford Foundation Endowment Fund	Government Endowment Fund	RBI Endowment Fund	Scientific Research Fund	Life Membership Fund	Bimla Bagchi Award Fund	Jokhan Maurya Fund	Government Corpus Fund	Raja Chelliah Annual Lecture Series and Visiting Professorship Fund	Total
Initial Fund	6,177,924	10,000,000	27,500,000	727,406	420,000	50,000	29,300	20,000,000	20,000,000	
(a) Opening Balance of the Funds	14,963,705	10,000,000	27,500,000	1,418,595	808,890	69,796	42,315	20,000,000	22,135,378	96,938,679
(b) Additions to the Funds										
(i) Grants	-	-	12,500,000	-	-	-	-	100,000,000	-	112,500,000
(ii) Income from Investments	1,021,968	840,978	3,177,395	118,405	72,330	6,047	3,907	1,779,132	1,933,869	8,954,031
Total (a+b)	15,985,673	10,840,978	43,177,395	1,537,000	881,220	75,843	46,222	121,779,132	24,069,247	218,392,710
(c) Utilisation/ Expenditure towards the Objectives of the Fund	1,263,404	840,978	2,491,515	-	-	-	3,000	751,471	1,383,564	6,733,932
Total (c)	1,263,404	840,978	2,491,515	-	-	-	3,000	751,471	1,383,564	6,733,932
NET BALANCE AT THE END OF THE YEAR (a+b-c)	14,722,269	10,000,000	40,685,880	1,537,000	881,220	75,843	43,222	121,027,661	22,685,683	211,658,778

NATIONAL INSTITUTE OF PUBLIC FINANCE & POLICY
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013

	Amount in ₹	
	As at 31 Mar, 13	As at 31 Mar, 12
SCHEDULE 5 - CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
1 Sundry Creditors for Goods & Services	8,346,488	6,209,390
2 Earnest Money, Security Deposit & Retention Money	1,872,470	1,518,960
3 Project Grants (refer to schedule 5 (a))	1,038,666	1,774,441
4 Statutory Dues	3,570,782	2,087,570
5 Other Current Liabilities	9,324,124	18,529,617
6 Central Government Grants	16,706,854	-
TOTAL	40,859,384	30,119,978
B. PROVISIONS		
1 Leave Encashment	18,684,485	17,338,567
TOTAL	18,684,485	17,338,567
GRAND TOTAL	59,543,869	47,458,545

NATIONAL INSTITUTE OF PUBLIC FINANCE & POLICY
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013

SCHEDULE 5 (a) - PROJECT GRANTS

		Amount in ₹						
		Unutilised Fund as at 01-Apr-2012	Recoverable as at 01-Apr-2012	Receipt During the Year	Total	Utilised During the Year	Recoverable as at 31-Mar-2013	Unutilised as at 31-Mar-2013
1	Preparation of State Development Report for Mizoram - Planning Commission, GOI	-	1,640,800	-	(1,640,800)	-	1,640,800	-
2	Panchayati Raj and Economic Development - Ministry of Panchayati Raj, GOI	-	301,700	254,201	(47,499)	-	Refer to Note -1	-
3	Macro-Economic Policy Simulation Model - Planning Commission, GOI	-	37,232	-	(37,232)	1,181,566	1,218,798	-
4	To Consider Ways of Increasing Effectiveness & Utilization of Funds by States/ Agencies through Suitable Changes in Timing & Pattern of Releases by the Centre - Planning Commission, GOI	-	981,400	981,400	-	-	-	-
5	Pharma Promotion and Development Scheme - Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, GOI	-	240,000	240,000	-	-	-	-
6	NIPFP - DEA Research Programme (old) - Department of Economic Affairs, MoF, GOI	-	97,353	-	(97,353)	-	Refer to Note -1	-
7	UNDP	1,437,275	-	-	-	-	-	Refer to Note - 2
8	Budgetary Reforms in South Asia with Special Reference to Outputs and Outcomes Budgeting - ICSSR	82,017	-	-	82,017	69,654	-	12,363
9	Policy Analysis in the Process of Deepening Capital Account Openness - British High Commission	-	1,779,197	5,802,487	4,023,290	5,184,000	1,160,710	-
10	Program on Indian Economic Policies Free Trade Democracy and Entrepreneurial Development - Columbia University	241,727	-	1,505,816	1,747,543	1,747,543	-	-
11	FSLRC Team Tour - International Affairs Assistant Economic Development Office City of London	1,526	-	-	1,526	-	-	1,526
12	Award of Jawahar Lal Nehru National Fellowship for two year to works competitive Market values and the Initial Distribution of Resources - ICSSR	11,896	-	79,802	91,698	36,610	-	55,088
13	Financial Sector Legislative Reforms Commission - MoF, GOI	-	754,642	20,249,225	19,494,583	20,183,542	688,959	-
14	NIPFP - DEA Research Programme - Department of Economic Affairs, MoF, GOI	-	1,156,605	9,867,530	8,710,925	8,854,474	143,549	-
15	International Seminar on Economic Theory and Policy - ICSSR/ RBI	-	125,000	112,500	(12,500)	-	12,500	-
16	Kenya's Commission on Revenue Allocation	-	-	799,700	799,700	765,167	-	34,533
17	Effective utilisation of the National Energy Climate Works Foundation, San Francisco	-	-	2,184,777	2,184,777	1,577,061	-	607,716
18	Tax Policy and Enterprise Development in South Asia - GINI, Pakistan	-	-	507,857	507,857	180,417	-	327,440
	TOTAL	1,774,441	7,113,929	42,585,295	35,808,532	39,780,034	4,865,316	1,038,666

Note 1 Grant recoverable written-off

Note 2 UNDP fund has been transferred to Corpus/ Capital Fund

Note 3 Receipts during the year are net of service tax, wherever the service tax is applicable

NATIONAL INSTITUTE OF PUBLIC FINANCE & POLICY
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013

SCHEDULE 6 - FIXED ASSETS

Amount in ₹

DESCRIPTION	Gross Block			Depreciation			Net Block			
	As at 1-Apr-12	Additions	Sales / Adjustments	As at 31-Mar-13	Upto 1-Apr-12	For the Year	Sales / Adjustments	Upto 31-Mar-13	As at 31-Mar-13	As at 31-Mar-12
Fixed Assets Acquired out of own Funds										
1 Leasehold Land	18,809,202	-	-	18,809,202	-	-	-	-	18,809,202	18,809,202
2 Building	26,252,161	960,859	-	27,213,020	8,047,600	476,127	-	8,523,727	18,689,293	18,204,561
3 Data Processing Equipment	19,399,673	2,255,367	-	21,655,040	17,069,769	1,729,562	-	18,799,331	2,855,709	2,329,904
4 Office Equipment	7,612,752	147,513	95,981	7,664,284	5,291,401	1,284,068	95,981	6,479,488	1,184,796	2,321,351
5 Furniture and Fixtures	7,884,470	397,948	47,246	8,235,172	6,151,659	1,051,937	47,246	7,156,350	1,078,822	1,732,811
6 Hostel, Library, Computer & Seminar Room Furniture	3,651,894	-	-	3,651,894	3,651,894	-	-	3,651,894	-	-
7 Air Conditioner and Water Coolers	4,635,058	455,620	45,675	5,045,003	4,144,754	430,920	45,675	4,529,999	515,004	490,304
8 Electric Installations	4,181,825	19,332	-	4,201,157	3,787,360	226,066	-	4,013,426	187,731	394,465
9 Vehicles	969,486	-	-	969,486	969,484	-	-	969,484	2	2
10 Horticulture Equipment	93,927	-	-	93,927	93,927	-	-	93,927	-	-
Total	93,490,448	4,236,639	188,902	97,538,185	49,207,848	5,198,680	188,902	54,217,626	43,320,559	44,282,600
Fixed Assets Acquired out of Grants from the Central Government										
1 Building - Research Training Centre	21,289,579	-	-	21,289,579	1,557,133	493,311	-	2,050,444	19,239,135	19,732,446
2 Electrical, Fire Fighting & HVAC Work - Research Training Centre	8,804,350	-	-	8,804,350	8,804,350	-	-	8,804,350	-	-
Total	30,093,929	-	-	30,093,929	10,361,483	493,311	-	10,854,794	19,239,135	19,732,446
Fixed Assets Acquired out of Grants from various Sponsors										
1 Data Processing Equipment	672,249	818,305	-	1,490,554	538,892	293,808	-	832,700	657,854	133,357
2 Office Equipment	-	32,900	-	32,900	-	5,483	-	5,483	27,417	-
Total	672,249	851,205	-	1,523,454	538,892	299,291	-	838,183	685,271	133,357
Capital Work - in - Progress										
	-	4,746,776	2,006,319	2,740,457	-	-	-	-	2,740,457	-
Fixed Assets Acquired out of Foreign Contribution Funds										
1 Data Processing Equipment	9,880	-	-	9,880	9,880	-	-	9,880	-	-
2 Furniture and Fixtures	1,523,860	-	-	1,523,860	1,523,860	-	-	1,523,860	-	-
3 Horticulture Equipment	624,980	-	-	624,980	624,980	-	-	624,980	-	-
Total	2,158,720	-	-	2,158,720	2,158,720	-	-	2,158,720	-	-
Grand Total	126,415,346	9,834,620	2,195,221	134,054,745	62,266,943	5,991,282	188,902	68,069,323	65,985,422	64,148,403
Previous year	119,322,580	8,921,422	1,828,656	126,415,346	53,680,583	9,239,448	653,088	62,266,943	64,148,403	-

NATIONAL INSTITUTE OF PUBLIC FINANCE & POLICY

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013

	Amount in ₹	
	As at 31 Mar,13	As at 31 Mar, 12
SCHEDULE 7 - INVESTMENTS - ENDOWMENT/ EARMARKED FUNDS		
In Government Securities	44,281,000	38,131,000
Other Approved Securities	61,197,015	54,776,920
TOTAL	105,478,015	92,907,920

SCHEDULE 8 - INVESTMENTS - OTHERS

In Government Securities	13,646,000	21,959,000
Other Approved Securities	149,704,196	126,370,000
TOTAL	163,350,196	148,329,000

SCHEDULE 9 - CURRENT ASSETS, LOANS, ADVANCES, ETC.

A. CURRENT ASSETS:

1. Inventories

Stock of Publications	182,350	185,324
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2. Sundry Debtors

2,345,647	236,001
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3. Cash Balance in Hand (Including Cheques/ Imprest)

38,181	149,832
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4. Bank Balances

With Scheduled Banks - Savings Accounts

Canara Bank Jit Singh Marg A/c No. 1484101001555	123,317,124	24,373,051
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Canara Bank Jit Singh Marg A/c No. 1484106026094	4,966	4,966
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State Bank of India JNU UNDP A/c No. 10596549875	13,990	13,445
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With Scheduled Banks - Current Accounts

State Bank of India JNU F.C. A/c No. 10596547368	9,716,951	752,300
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State Bank of India JNU Current A/c No. 10596547335	46,707	50,557
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133,099,738	25,194,319
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B. LOANS, ADVANCES AND OTHER ASSETS:**1. Advances and other amounts recoverable in cash
or kind or for value to be received:**

a. Festival Advance to Staff	24,000	24,950
b. Prepaid Expenses	5,499,918	4,732,268
c. Advance to Staff for Expenses	93,044	215,571
d. Security Deposits	498,623	341,471
e. Advance to NIPFP PF Trust	10,343,370	10,343,370
f. CENVAT (unadjusted)	55,921	-
	<u>16,514,876</u>	<u>15,657,630</u>

2. Income Accrued

a. On Investments - Earmarked/ Endowment Funds	3,794,021	2,075,748
b. On Investments - Others	5,177,463	3,739,134
c. On Deposit other than Investment	4,284	4,284
d. Central and State Government Grant	500,000	599,500
e. Course, Programme and Project Receivable	18,711,508	12,652,942
f. Project Grants (refer to schedule 5 (a))	4,865,316	7,113,929
	<u>33,052,592</u>	<u>26,185,537</u>

3. Claims Receivable

Income Tax Recoverable	8,911,204	7,953,489
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TOTAL

<u>194,144,588</u>	<u>75,562,132</u>
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NATIONAL INSTITUTE OF PUBLIC FINANCE & POLICY

**SCHEDULES FORMING PART OF THE INCOME AND EXPENDITURE ACCOUNT FOR THE
YEAR ENDED MARCH 31, 2013**

	Amount in ₹	
	Year Ended 31 Mar, 13	Year Ended 31 Mar, 12
SCHEDULE 10 - GRANTS FROM THE CENTRAL AND STATE GOVERNMENTS		
A. GRANTS FROM THE CENTRAL GOVERNMENT		
Recurring Grant	14,423,000	12,760,000
Salary Grant	55,406,146	63,802,000
TOTAL	69,829,146	76,562,000
B. GRANTS FROM THE STATE GOVERNMENTS		
General Support Grants		
The Government of Karnataka	300,000	200,000
The Government of Meghalaya	200,000	200,000
The Government of Orissa	500,000	500,000
The Government of Maharashtra	100,000	100,000
The Government of Tamil Nadu	100,000	100,000
The Government of Nagaland	-	400,000
The Government of Gujarat	200,000	200,000
The Government of Assam	200,000	-
The Government of Jammu & Kashmir	200,000	-
The Government of Punjab	200,000	-
TOTAL	2,000,000	1,700,000
GRAND TOTAL	71,829,146	78,262,000

NATIONAL INSTITUTE OF PUBLIC FINANCE & POLICY
SCHEDULES FORMING PART OF THE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2013

	Amount in ₹	
	Year Ended 31 Mar,13	Year Ended 31 Mar,12
SCHEDULE 11- INCOME FROM ACADEMIC ACTIVITIES		
Course, Programme and Project Income	56,355,336	57,062,455
Project Grants to the extent utilised (refer to schedule 5 (a))	39,780,034	33,132,222
TOTAL	96,135,370	90,194,677
SCHEDULE 12 - INTEREST EARNED		
Interest Earned - Banks/ Financial Institutions		
On Term Deposit with Schedule Banks	5,306,159	3,505,988
On Saving Accounts with Schedule Banks	679,505	528,296
On Government and Other Securities	8,515,226	8,168,528
Interest on Income Tax Refund	111,964	67,394
Other Interest	4,284	7,121
TOTAL	14,617,138	12,277,327
SCHEDULE 13 - OTHER INCOME		
Sales of Publications	7,295	3,500
Royalty	-	683
Recoveries	8,951,953	5,339,125
Profit on Disposal of Assets	67,698	93,500
Miscellaneous Income	25,577	163,289
House Rent Recoveries	77,202	68,347
Consultancy Fees Received from NIPFP Staff	42,500	36,666
Liabilities Written off	51,750	2,800
Ordinary Membership Fee	5,000	10,000
Foreign Currency Exchange Gain	749,305	237,608
Amount transferred from Deferred Income (refer to schedule 3)	792,602	3,664,825
Unutilised Grants Written off	-	104,480
Service Tax Refund	560,261	-
TOTAL	11,331,143	9,724,823
SCHEDULE 14 - PRIOR PERIOD INCOME		
Recoveries for Lost Books	-	2,500
Salary and allowance	762	-
Refund of Project Expenses	5,800	-
Miscellaneous Income	-	9,299
Books and Periodicals	-	11,958
TOTAL	6,562	23,757

NATIONAL INSTITUTE OF PUBLIC FINANCE & POLICY
SCHEDULES FORMING PART OF THE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2013

	Amount in ₹	
	Year Ended 31 Mar, 13	Year Ended 31 Mar, 12
SCHEDULE 15 - ESTABLISHMENT EXPENSES		
Salaries and Allowances	50,902,161	46,449,754
Bonus	142,478	141,614
Contribution to PF and Pension Fund	4,993,384	4,480,772
Gratuity	3,405,749	1,167,780
Leave Salary	2,956,326	2,218,515
Staff Benefits and Welfare	2,737,295	2,584,414
EDLI & Admin. Charges	108,409	102,060
Consultancy Fees	1,133,639	608,516
	66,379,441	57,753,425
Less: Charged to Academic Activities	1,913,577	1,732,976
TOTAL	64,465,864	56,020,449

SCHEDULE 16 - EXPENDITURE ON ACADEMIC ACTIVITIES

Course, Programme and Project Expenses	40,051,440	39,259,516
Utilisation of Project Grants (refer to schedule 5 (a))	39,780,034	33,132,222
TOTAL	79,831,474	72,391,738

NATIONAL INSTITUTE OF PUBLIC FINANCE & POLICY

**SCHEDULES FORMING PART OF THE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2013**

	Amount in ₹	
	Year Ended 31 Mar,13	Year Ended 31 Mar,12
SCHEDULE 17 - ADMINISTRATIVE EXPENSES		
Traveling and Conveyance	711,022	685,701
Rates and Taxes	813,420	921,570
Electricity Charges	4,616,819	3,384,217
Water Charges	229,720	307,495
Printing and Stationery	730,238	649,151
Postage and Telephone	1,297,359	1,605,738
Repairs and Maintenance	6,927,262	5,869,858
Car Running and Maintenance	365,357	307,433
Audit Fees	129,112	138,336
Audit Fees (PF Trust)	10,041	8,989
Audit Fees (Gratuity Trust)	12,000	12,409
Miscellaneous Expenses	160,085	157,142
Legal Expenses	655,250	485,693
Advertisement Expenses	1,066,127	250,333
Expenses on 25th Anniversary	30,000	30,000
Loss on Maturity of PF/ Gratuity Trust Investment	59,450	356,750
Shortfall of Interest and Other Loss (PF Trust)	96,289	73,408
Recruitment Expenses	-	25,294
Books and Periodicals	5,789,546	4,943,914
Cost of Publications	531,154	417,374
Meeting and Seminar	243,676	280,541
General/ Governing Body Meeting	53,237	122,243
Insurance Expenses	47,251	50,137
Recoverable Written off	194,978	2,508
	<u>24,769,393</u>	<u>21,086,234</u>
Less : Charged to Academic Activities	15,453	64,866
Less : Charged to Endowment/ Earmarked Funds	840,978	2,607,592
TOTAL	<u>23,912,962</u>	<u>18,413,776</u>

NATIONAL INSTITUTE OF PUBLIC FINANCE & POLICY

SCHEDULES FORMING PART OF THE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2013

	Amount in ₹	
	Year Ended 31 Mar,13	Year Ended 31 Mar,12
SCHEDULE 18 - PRIOR PERIOD EXPENSES		
Repair and Maintenance	-	5,393
Traveling and Conveyance	-	20,982
Course, Programme and Project Expenses	-	16,600
Books and Periodicals	3,888	6,729
Car Repair and Maintenance	1,450	-
TOTAL	5,338	49,704

NATIONAL INSTITUTE OF PUBLIC FINANCE & POLICY

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

SCHEDULE 19 – ACCOUNTING POLICIES

1. The financial statements are prepared on a going concern basis under the historical cost convention on accrual basis and in accordance with mandatory accounting standards issued by the Institute of Chartered Accountants of India, unless otherwise stated. Ordinary Membership Fees are accounted on cash basis.
2. Long term investments are stated at cost after deducting provisions made for permanent diminution in the value of such investments.
3. Inventory of publications is valued at cost or net realisable whichever is less. Cost is determined on FIFO Basis. Publications older than ten years and Publications funded from project grants are valued at nil.
4. Fixed Assets are stated at cost of acquisition including incidental and direct expenses related to the acquisition. Fixed Assets are valued at cost less accumulated depreciation.
5. Depreciation on all assets except Leasehold Land and Building is charged on a straight-line basis over a period of three years. Depreciation on Leasehold Land is charged at nil rate. Depreciation on Building is charged at the rate of 2.5% p.a. on written down value basis. Assets purchased and put to use on or after 1st October of a year are depreciated during that year at half of the rates stated above.
6. Management periodically assesses whether there is an indication that an asset may be impaired. In case of such an indication, the management estimates the recoverable amount of the asset. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the difference is recognised as impairment loss.
7. Books and Periodicals purchased for library are charged off to revenue in the year of purchase.
8. Short term employee benefits are recognised as an expense at the undiscounted amount in the Income and Expenditure Account of the year in which the related service is rendered.
9. Post employment and other long term employee benefits are recognised as an expense in the Income and Expenditure Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts

payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to revenue.

10. Foreign currency transactions are generally accounted for in the books of account at the exchange rate prevailing on the date of the transactions.
11. Income on investment from Earmarked/ Endowment Funds is used for specific purposes of the funds. Balance of unutilised income, if any, are kept in respective Earmarked/ Endowments funds.
12. Grants/ contributions received for specific purposes are initially treated as a liability and adjusted as per utilisation during the year. Grants, to the extent utilised for depreciable assets, are treated as deferred income and recognised in the Income and Expenditure Account on a systematic and rational basis. Project Grants to the extent utilised for revenue expenditures are treated as income of the year. Grants for salary and recurring expenses are recognised as income on the basis of MoU with the Ministry of Finance, Government of India.
13. Provisions are recognised when there is a present obligation as a result of past events for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provision required settling the obligation are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation.
14. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. Disclosure is also made in respect of a present obligation that probably requires an outflow of resources, where it is not possible to make a reliable estimate of the related outflow.

NATIONAL INSTITUTE OF PUBLIC FINANCE & POLICY

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

SCHEDULE 20 - NOTES ON ACCOUNTS

1. Contingent Liabilities

Liability in respect of court cases instituted against the Institute and by the Institute: Amount is not ascertainable except in the following cases:

a. Maximum compensation which may be payable to National Institute of Public Finance and Policy Provident Fund Trust (NIPFP PF Trust) against loss to NIPFP PF Trust consequent to embezzlement (during the period April 1995 to December 2002) of Trust money is Rs.1,07,22,121. The Institute has paid Rs.1,03,43,370 as advance to NIPFP PF Trust. The loss to NIPFP PF Trust will be compensated by the Institute to the extent it can not be recovered by NIPFP PF Trust from the persons who are responsible for the embezzlement.

b. Industrial Dispute No. 215 of 1997 between the Institute and its workmen, the Tribunal, vide its award dated 12.04.2002 held that the Assistants and Stenographers of the Institute were entitled to the fitment in the grade of Rs.1640-2900 and revised DA w.e.f. 01.01.1986 instead of grade of Rs.1400-2300. The Institute assailed the award before the Hon'ble High Court of Delhi vide W. P. (C) No. 6349/2002 and did not pay arrears of pay and allowances from 01.01.1986.

The Hon'ble High Court has upheld, vide its order dated August 01, 2012, the decision of the Tribunal and directed to pay the arrears within four months. The matter was referred to the Ministry of Finance, Government of India for advice and further action in this regard. The Ministry vide its letter dated October 16, 2012 advised the Institute to file a Letters Patent Appeal (LPA) before the Division Bench of Delhi High Court. The Institute has filed LPA in Delhi High Court on November 09, 2012. The LPA has been admitted and no provision has been made for the liability towards the arrears.

c. Assessment and Collection Department, South Zone, Municipal Corporation of Delhi (MCD), vide its letter dated March 05, 2013 has directed the Institute to pay property tax correctly on self-assessment basis treating the hostel block as per structure factor 4 instead of structure factor 1. The tentative liability for the hostel block as per structure factor 4 would be Rs. 13,00,000 and penalty, if any, levied by the MCD.

The Institute has not agreed to the notice and is in the process of contesting the notice before appropriate authorities. However, an ad-hock payment of Rs. 5,00,000 has been made to MCD on March 28, 2013 which may be adjusted from future property tax liability.

2. Capital Commitments :

Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 43, 99,739 (Previous Year Rs. Nil).

3. As per the information available, there are no amounts due that require disclosure/ provisioning as per the requirements of the Micro Small and Medium Enterprises Development Act, 2006.
4. In the opinion of the management of the Institute, current assets, loans and advances have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated in the balance sheet and provision for all known liabilities have been made in the financial statement.
5. Contribution to Defined Contribution Plan, recognised as expense for the year are as under:

Employer's Contribution to Provident Fund Rs.45,29,747 (Previous Year Rs. 40,00,705)

Employer's Contribution to Pension Scheme Rs. 4,63,637 (Previous Year Rs.4,80,067)

The Employees' Gratuity Fund Scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

The principal actuarial assumptions used as at the balance sheet date are as under:

a. Economic Assumptions

The principal assumptions are the (1) discount rate and (2) Salary Increase. The discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary increase should take account inflation, seniority, promotion and other relevant factors. However no explicit allowance is used for disability.

	31-March-2013	31-March-2012
1 Discounting Rate	8.00 % p.a.	8.75 % p.a.
2 Future salary Increase	7.00 % p.a.	7.00 % p.a.
3 Expected Rate of return on plan assets for Gratuity (funded)	8.00 % p.a.	8.00 % p.a.

b. Demographic Assumption

	31-March-2013	31-March-2012
i. Retirement Age	60 Years	60 Years
ii. Mortality Table	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
iii. Withdrawal rate (Per Annum)	2.00%	2.00%

6. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary to make them comparable with the current year's figures.

Signatories to schedule to 1 to 20

sd/- (Romasha Mishra) Account Officer	sd/- (Alka Matta) Secretary	sd/- (Dr. Rathin Roy) Director	sd/- (Dr. C. Rangarajan) Chairman
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As per our report of even date attached

for Singh Krishna & Associates
Chartered Accountants
Firm's Registration No. 008714C

sd/-
(Krishna Kumar Singh)
Partner
M. No. 077494

Place: New Delhi
Date:

