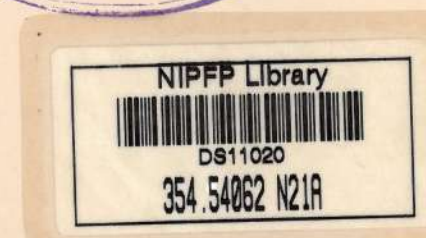


REFERENCE BOOK.

33  
**ANNUAL REPORT AND ACCOUNTS**

**For the year 1977-78**



**NATIONAL INSTITUTE OF PUBLIC  
FINANCE AND POLICY**

12 RAJENDRA PLACE NEW DELHI 110 008



R  
354-54062(LN)  
N 21A  
L8

STUDY OF THE INDIAN JOURNAL

OF THE INDIAN JOURNAL



STUDY OF THE INDIAN JOURNAL

OF THE INDIAN JOURNAL

PRINTED AT NEW LAXMI PRESS KAROL BAGH NEW DELHI-110005

## CONTENTS

	Page No.
Introduction	1
Professional Staff	1
Research Activities	1
Visiting or Honorary Professor	3
Work for the State government	3
Library	4
Seminars	5
ICSSR	5
Corporate Membership	5
Composition of the Governing Body	5
Endowment Fund	6
Presentation of Annual Accounts	6
Purchase of Land	7
Ford Foundation Grant	7
Conclusion	7
Annexures	8
NIPFD : Accounts	21



**REPORT OF THE GOVERNING BODY OF THE  
NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY  
FOR THE FINANCIAL YEAR 1977-78**

**Introduction**

The year 1977-78 is the first full year of operation of the Institute. During the year, a core of professional staff members were recruited and were assigned duties in different fields, initial steps were taken to build up a specialised Public Finance Library and some of the initial projects taken up by the Institute were completed.

**Professional staff**

While Institute's full requirements of professional staff have not yet been met, it could be stated that the critical minimum staff needed for initiating the research and other activities of the Institute were already in position by the middle of the year. As on 31st March, 1978, the Institute had on its rolls 15 professional staff members including the Director. The list of faculty members is given in Annexure I. It may be of interest to mention that 5 young Economists/Econometricians were recruited on the basis of national advertisements and competition. They are being given training in the field of Public Finance and Applied Economic Research. This training is largely through association with research activities, but is also imparted through seminars and lectures.

During the course of the year, the Reserve Bank of India endowed a Chair in Fiscal Policy at the Institute. The Chair could not be filled during the year because of the difficulty in locating a suitable candidate. The Selection Committee, which met on 29th April, 1978, has decided to defer the appointment and has requested the Director to contact a few promising candidates.

**Research activities**

During the year, the two major projects given by the Jha Committee, namely, Measurement and Analysis of the Income Elasticity of Major Indirect Taxes in India, and Measurement of the Incidence of Indirect Taxes in India, were completed and the reports were handed over to the Committee. These have been duly incorporated in part II of the Committee's report. Government of India have given the Institute permission to publish the Report on the Incidence of Indirect Taxes in English and in Hindi. Arrangements are accordingly being made for translation of the Report into Hindi and it is



expected that the two versions would be made available to the public by the end of July 1978.

The Institute has also completed during the year studies on the elasticities of two major direct taxes, viz., the personal income tax and the corporation tax. We therefore have sufficient material to bring out a publication on the Buoyancy and Elasticity of Major Direct and Indirect Taxes in India. A publication containing these exercises and with a discussion on the methodology of adjusting for discretionary tax changes and of computing elasticities is likely to be brought out during the current year.

The Finance Commission asked for the assistance of the Institute in its analysis of the trends in revenues and non-plan revenue expenditures of the State governments. In particular, the Finance Commission gave the Institute a project on the computation of buoyancies, elasticities and growth rates of all items of revenue and all items of non-plan revenue expenditures. This work was completed in record time and the results have been made available to the Finance Commission. The results of this work cannot be published now, as they are still considered confidential by the Finance Commission.

It was stated in the Annual Report for the year 1976-77 that the Institute had undertaken on its own a project on the Impact of the Personal Income Tax on Income Distribution. This study, which is based mostly on the analysis of income tax assessment data published annually by the Directorate of Inspection (Research and Statistics), Income Tax Department, has been completed, and the interesting conclusions emerging from it will soon be made available to the Government and to the public.

A study of corporate taxation in India had also been started simultaneously with the study of the personal income tax. The former, however, is in the nature of a long-term project. During the year under reference there has been some set-back to this project partly because of difficulties in collecting the data on company finances on a sample basis and partly because of other more pressing pre-occupations of the staff. However, as pointed out earlier, one part of the study dealing with the elasticity and buoyancy of the corporate profits tax has been completed. Another part containing a discussion of the theory of corporate profits taxation and of alternative systems of taxing corporate profits is likely to be completed by the end of September 1978. This will be followed by an empirical study of the impact of (a) the corporation tax on profitability, the rate of ploughback, and the rate of growth of the corporate sector and (b) of the various concessions extended to the corporate sector on effective tax liability and on the prospective rate of return on investment.

In the latter part of 1976-77, work was started on a project dealing with major issues in Federal Finance. A basic paper on this subject is now being prepared at the Institute. It would contain (a) a discussion of the theory of federal finance, (b) a review of the approach of the earlier Finance Commissions, (c) an empirical analysis of the impact of federal transfers on regional inequalities and (d) suggestions for a different approach to federal assistance by the Finance Commission. This paper is scheduled to be discussed at a Seminar on Major Issues in Federal Finance to be held by the Institute sometime in July, 1978.\* (The Seminar is to be financed by the Indian Council of Social Science Research (ICSSR).)

\*Since held on July 1 and 2, 1978.

From time to time requests are received from the Ministry of Finance, Government of India, for information, or papers, on particular questions. Mention may be made here of two papers submitted to the Ministry during the year : one on the proposal for the merger of sales taxes with excises and the other on the determination of the impact of, and safe limits for, deficit financing.

The Director of the Institute continued to act as Honorary Consultant to the Ministry of Finance and as also a member of the Savings and Investment Sub-Group of the Group on Resource Mobilisation for the Plan appointed by the Planning Commission.

In the coming year, besides continuing the corporation tax project, the Institute proposes to undertake a few new projects. First, a paper would be prepared on the changing pattern of financing capital formation in the Government sector. This paper would be submitted to the seminar being organised by the Indian Association for Research in National Income and Wealth in January 1979. Secondly, a project on 'Comparative Tax Effort in Indian States' would be undertaken. Preliminary work on this project has already started. The International Bank for Reconstruction and Development has shown interest in this project and has agreed to sponsor it. Thirdly, an attempt would be made to bring out a Profile on Indian Public Finances. The aim in producing the profile would be to make available to scholars and policy makers refined and classified data on public finances in the country (particularly Central and State finances) related to economic data, which could be used for purposes of analysis.

### Visiting or Honorary Professor

The Institute has adopted the policy of accepting, on a selected basis, Visiting Fellows or Professors from other institutions in India and abroad. During the year 1977-78, Prof. P. Nagarajan from the University of Prince Edward Islands, Canada, has been in residence at the Institute. He is on sabbatical leave and is conducting research on the 'Growth Pattern of Government Expenditure in India'. His attachment to the Institute has been duly approved by the ICSSR. Another important development is that Dr. I. S. Gulati, Fellow, Centre for Development Studies, Trivandrum, has agreed to be an Honorary Visiting Professor of the Institute. During the year 1977-78, he visited the Institute on two different occasions, gave Seminars and participated in discussions relating to several research projects. We are indeed happy to have his guidance and advice from time to time.

### Work for the State Governments

In this area we have a number of important and interesting assignments to report on. It had been stated in the Annual Report for 1976-77 that negotiations were being conducted with the Government of Assam for a survey of taxation in that State. The Government of Assam asked the Institute to undertake such a survey in the month of June, 1977. The Survey has now been completed and the report is being submitted to the Government. Secondly, in the month of February 1978, the Government of Bihar entrusted the Institute with a thorough study of the Sales Tax System in the State. The Study, which is expected to last for about 10 months, has just been initiated. Thirdly, the Government of Gujarat which



has recently announced its intention to set up a Taxation Enquiry Commission in the State has requested the Director of the Institute, Dr. R. J. Chelliah, to act as Chairman of the Commission. After consulting the Chairman of the Institute, Dr. Chelliah has agreed to take on the responsibility on the understanding, however, that a considerable amount of background research needed for the Commission's work would be permitted to be undertaken at the Institute itself. Research institutions in Gujarat would also be associated with this work.

The workshop on 'Computerisation of Sales Tax Data' which had been originally scheduled to be held some time towards the end of 1976-77 had to be postponed for various reasons. It is now proposed to organise this workshop in October 1978.

At the instance of the Planning Commission, the Department of Personnel and Administrative Reforms, Ministry of Home Affairs, has requested the Institute to organise a workshop for State Government officials on 'Techniques of Projections of Tax Revenues.' Two officials from each State would be invited. In order to keep the number of participants down to a reasonable size, the workshop would be held in two sessions - one in December 1978 and the other in April 1979. The necessary course material will be prepared in the Institute itself and would be based on the work that has already been done by the Institute in this field. The expenses relating to these workshops will be met by the Department of Personnel.

As had been stated in the Annual Report for the year 1976-77, we sent requests to all State governments to make arrangements for the automatic despatch to the Institute of all amendments to tax laws and notifications under the laws. The idea was that the Institute would become a kind of depository for State tax laws as well as rules and notifications issued thereunder. Unfortunately, even though a number of State governments had appointed liaison officers for this purpose, for some reason or the other, the Institute did not receive on a regular basis information on changes in laws, notifications and rules. Some of the State governments did not respond to our request at all. We feel that we were probably too ambitious in attempting to obtain complete information not only on any changes in laws that might be effected but also on all rules and notifications that might be issued from time to time. After reviewing the matter, we have now decided that the Institute would only try to maintain up-to-date information on the basic laws relating to State taxes. With this end in view, revised requests have been sent to State governments and these will be followed up by visits of staff members to the capitals of different States as and when necessary. We hope to be able to report at the end of the year that we have reasonably succeeded in this more limited endeavour.

### Library

During the year 1977-78, the Institute has made reasonable progress in fulfilling one of its important objectives, namely, that of building up a specialised Public Finance Library. More than a thousand standard books, reports and other publications (Indian and foreign) relating to Public Finance and allied subjects have been added to the stock. Back numbers of many useful serial publications such as the Central and the State governments budgets, Combined Finance and Revenue Accounts, All India Income Tax and Estate Duty Statistics, etc.,

have been acquired. Leading Public Finance and Taxation journals published abroad, including loose-leaf services from various countries are being subscribed to by the Institute's Library. Back volumes of several of these important journals for the last 10 years or so have also been acquired. As of now, more than 40 periodicals are being received in the Library. (The list of journals to which the Institute is subscribing as well as a few we are receiving on a complimentary basis is given in Annexure II). Agreements have been entered into with a number of organisations for receiving books, reports, reprints and mimeographed papers on an exchange basis. These include well-known institutes both in India and in countries such as the U. K., the U. S. A., Canada and Australia.

### Seminars

The Institute has started a programme of having Seminars on a regular basis. The Seminar is intended to be used as a forum by staff members to report on progress made on various projects in hand. At the same time visiting scholars from other universities from India and abroad are requested to address the Seminar. During this year as many as twenty-one Seminars were held, details of which are given in Annexure III.

### ICSSR

It was stated in the Annual Report for 1976-77 that the Institute had applied for approval under Section 35 (1) (iii) of the Income Tax Act so that donations made to the Institute might qualify for income tax exemption. On the recommendation of the ICSSR this approval was granted by the Central Board of Direct Taxes for a period of four years, vide notification No. 1642/F. No. 203/70/76-ITA. II dated 28th January, 1977. Since ICSSR has made the recommendation on the report of a Visiting Committee of experts, it can be said that the Institute is also recognised by the ICSSR.

### Corporate Membership

During the year, two more nationalised banks, namely, the Syndicate Bank and the Indian Bank have become corporate members. However, since some of the earlier corporate members have not renewed the membership, the total strength of ordinary corporate members has not changed significantly. It may be recalled that at the General Body Meeting held on June 2, 1977, an amendment was made to Rule 2 (d) of the Society to the effect that an ordinary corporate member may pay Rs. 20,000, in lump sum in lieu of the annual subscription of Rs. 2,000 in not more than 2 instalments within the first two years of admission with no further liability to pay annual subscription. Subsequent to this amendment the Governments of Goa, Daman & Diu, Himachal Pradesh, Maghalaya and Nagaland have become life corporate members, having paid the balance of Rs. 18,000 each during the financial year 1977-78. A list of members is given in Annexure IV.

### Composition of the Governing Body

During the year certain changes have taken place in the composition of the Governing Body. The first Chairman of the Governing Body, Shri P. N. Haksar, submitted his resignation in early April 1977 and his resignation was accepted by the Governing Body at its meeting on 2nd June, 1977. At the same meeting, Prof. D. T. Lakdawala, who was already a member



of the Governing Body was unanimously elected Chairman of the Institute and of the Governing Body. During the year, Dr. N. C. Mehta submitted his resignation of the membership of the Governing Body. As a result there arose two vacancies in the Governing Body allotted to academicians and representatives of other institutions. At its meeting held on November 19, 1977, the Governing Body unanimously resolved to co-opt Dr. C. Rangarajan, RBI Professor of Economics, Indian Institute of Management, Ahmedabad and Dr. D. M. Nanjundappa of Karnataka University (now on deputation to the Government of Karnataka as Economic Adviser and Special Secretary in the Department of Planning) as its members.

Shri H. N. Ray having retired as Finance Secretary, Shri P. J. Fernandes, his successor in office became an ex-officio member of the Governing Body during the year 1977-78. Similarly, Dr. Ajit Mozoomdar succeeded Shri S. K. Rau as the representative of the Planning Commission on the Governing Body.

Also, during the year, the Reserve Bank of India named its representative and Dr. A.K. Banerji, Executive Director, RBI, became a member. During the year, Shri B. P. Poddar, represented the Federation of Indian Chambers of Commerce and Industry and Shri A. W. B. Hayward represented the Associated Chambers of Commerce and Industry of India on the Governing Body.

There were changes as regards the States' representatives also. For Uttar Pradesh, Shri B. B. Tandon was replaced by Shri Tribhuvan Prasad; for Punjab, Shri S. P. Bagla was replaced by Shri R. P. Ojha; and for Rajasthan, Shri M. S. Sadasivan was replaced by Shri Mangal Bihari. It may be noted that these three States will now retire by rotation and with effect from June 1, 1978, the States of Andhra Pradesh, Karnataka and West Bengal will take their place. A list of Governing Body members as on May 1, 1978, is given in Annexure V.

### Endowment Fund

The contributions to Endowment Fund at the end of the previous financial year was Rs. 37 lakh. Contributions to the Fund during the year 1977-78 amounted to Rs. 7.5 lakh raising the level of the Endowment Fund to Rs. 44.5 lakh as on 31.3.1978. These Rs. 7.5 lakh are made up of the contributions of Rs. 3 lakh each by the Governments of Gujarat and Orissa and the first instalment of contribution of the Government of Tamil Nadu amounting to Rs. 1.5 lakh. The Associated Chambers of Commerce and Industry of India have made a contribution of Rs. 4.39 lakh against the total promised contribution of Rs. 5 lakh. Since this amount has been received as donation under Section 35 (1) (iii) of the Income Tax Act, it has been placed separately in a Scientific Research Fund.

### Presentation of Annual Accounts

The Governing Body has decided upon a change in the format of presentation of the Annual Accounts with effect from the year 1977-78. The new format is similar to the one adopted by the National Council of Applied Economic Research. Approval of the Governing Body has been given to consequential changes in the treatment of certain items in the accounts for 1976-77.

### Purchase of Land

The question of having an office building for the Institute and of acquiring the necessary land for the purpose was discussed at the first meeting of the General Body held on June 2, 1977. The matter had also been considered by the Governing Body at its earlier meetings. While some of the State governments had come forward to help the Institute acquire land in their respective State capitals, it was considered desirable from various points of view to locate the Institute, at Delhi itself. In fact, the former Chairman of the Institute, Shri P. N. Haksar, had started negotiations with the Delhi Administration for the allotment of a plot of land to the Institute. After he assumed charge, the present Chairman took up the question again with the Lt. Governor of Delhi, and the Institute's application was sent to the D. D. A. It is learnt that various formalities relating to the allotment of one acre\* of land situated south of the Campus of the IIT, have been completed. The matter reportedly has been referred to the Chairman of D. D. A. for his final approval.

### Ford Foundation Grant

At the meeting of the Governing Body held on November 19, 1977, the Director had reported that negotiations were being conducted with the Ford Foundation for a grant which could be utilised for various purposes including training of the Institute's staff abroad, purchase of equipment and books, financing the exchange of scholars and capital expenditure on building. After discussion, the Governing Body had generally approved the proposal to receive assistance from the Ford Foundation. The proposal of the Ford Foundation to assist the Institute has been cleared by the Government of India and the grant would be utilised during the current year, (1978-79) and the next. Details of the grant are given in Annexure VI.

### Conclusion

The Governing Body is satisfied with the volume and quality of work turned out by the Institute during the first full year of operation. It is also happy to note that the Institute has got in position a sufficient number of qualified people at various levels. This would enable it to expand its activities in response to the increased demand for its services on the part of several governments.

For and on behalf of the Governing Body

Sd/-  
( D. T. Lakdawala )  
Chairman

Sd/-  
( I. S. Gulati )  
Member

Sd/-  
( R. J. Chelliah )  
Member-Secretary

New Delhi 9.5.1978

\*Subsequently increased to 2 acres.



## ANNEXURE-I

**List of Faculty Members**  
( as on March 31, 1978 )

Sl. No.	Name	Qualification	Designation
1.	R. J. Chelliah	M. A., Ph. D	Director
2.	V. D. Lall	M. A., Ph. D	Senior Fellow
3.	P. Nagarajan	M. A., Ph. D	Visiting Professor
4.	Anupam Gupta	M. A., Ph. D	Fellow
5.	M. C. Purohit	M. A., Ph. D	Fellow
6.	Shyam Nath	M. A., Ph. D	Senior Economist
7.	P. B. Nayak	M. A., Ph. D	Senior Economist
8.	M. Govinda Rao	M. A.	Economist
9.	K. K. Atri	M. A.	Econometrician
10.	J. V. M. Sarma	M. A.	Econometrician
11.	Pawan Kumar Aggarwal	M. Sc.	Economist
12.	Ranjana Ghoshal	M. A., M. Phil	Economist
13.	Sushama Shende	M. A.	Economist
14.	S. Gopalakrishnan	M. A.	Research Assistant
15.	Vijaya Devi Kasana	M. A.	Research Assistant

## ANNEXURE-II

**List of Journals being received in the Institute Library**

## INDIAN

1. Anvesak (Q)
2. Artha Vijnana (Q)
3. Economic and Political Weekly (W)
4. I.C.S.S.R. Newsletter (Q)
5. Indian Economic Review ( $\frac{1}{2}$  yly)
6. Journal of Abstracts and Reviews : Economics (Q)
7. Indian Economic Journal (Q)
8. Journal of Income and Wealth ( $\frac{1}{2}$  yly)
9. Prajnan (Q)
10. Reserve Bank of India Bulletin (M)
11. Reserve Bank Staff Occasional Papers ( $\frac{1}{2}$  yly)
12. State Bank of India Monthly Review (M)
13. Sankhya in series A, B and C (Q)
14. Taxation (M)
15. Yojana (F-N)
16. Stock Exchange Official Directory (Weekly Replacement Service)

## FOREIGN

17. ADIPA Newsletter (Q)
18. American Economic Review (Q)
19. British Tax Review (2-M)
20. Bulletin for International Fiscal Documentation (M)
21. Canadian Tax Journal (2-M)
22. Economic Impact (Q)
23. Economic Journal (Q)
24. Finance and Development (Q)
25. Finanzarchiv (Q)
26. IMF Staff Papers (4-M)
27. IMF Survey (F-N)
28. Journal of Corporate Taxation (Q)



29. Journal of Economic Literature (Q)
30. Journal of Political Economy (2-M)
31. Journal of Public Economics (Q)
32. National Tax Journal (Q)
33. Public Finance (Q)
34. Public Finance Quarterly (Q)
35. Review of Income and Wealth (Q)
36. African Tax System
37. Corporate Taxation in Latin America
38. Tax News Service
39. Taxation of Companies in Europe
40. Taxes and Investment in the Middle East
41. Value Added Taxation in Europe.

#### Frequency Notation

W	:	Weekly
F-N	:	Fortnightly
M	:	Monthly
2-M	:	Bi-monthly
4-M	:	Four Monthly
Q	:	Quarterly
$\frac{1}{2}$ yly	:	Half-yearly

Loose-leaf Service  
from International  
Bureau of Fiscal  
Documentation.

#### ANNEXURE III

#### Seminars held at the Institute during 1977-78

Speaker	Institutional Affiliation	Date	Topic
Dr. Gunter Dufey	Professor of International Business and Finance, University of Michigan, U.S.A.	April 11, 1977	International Monetary Problems
Professor C.T. Kurien	Madras Christian College, Madras and UGC Senior Fellow	April 13, 1977	An Approach to Planning in India
Mr. J.V.M. Sarma	NIPFP	April 27, 1977	Some Problems in studying the distribution of consumption expendi- ture in India
Dr. R.N. Lal	NIPFP	May 4, 1977 May 11, 1977 May 18, 1977 May, 25, 1977	A System of National Accounts
Dr. Anupam Gupta	NIPFP	June 22, 1977	The Theory of Public Goods
Dr. Pulin Nayak	NIPFP	July 6, 1977	Elasticity and Buoyancy of Union Excise Taxes
Dr. Melville Ulmer	University of Maryland, U.S.A.	August 17, 1977	Taxes, Welfare and the Distribution of Income
Dr. Deena R. Khatkhate	International Monetary Fund, U.S.A.	August 24, 1977	Aspects of Indian Political Economy
Mr. Pawan K. Aggarwal	NIPFP	September 21, 1977	Components of Gini Co-efficient for Grouped Observations
Dr. Amaresh Bagchi	Ministry of Finance, Govt. of India.	September 30, 1977	A Model for Centre-State Transfers
Dr. Ramesh Bhatia	Institute of Economic Growth, Delhi	January 17, 1978	Sectoral Planning with Special Emphasis on Energy Economics
Mr. G. Venkateshwaran	Advocate, Madras		Some Aspects of Customs Laws in Practice



ANNEXURE III  
(Continued)

Speaker	Institutional Affiliation	Date	Topic
Dr. R. J. Chelliah	NIPFP	February 7, 1978	The Jha Committee Report on Indirect Tax Reforms
Dr. I. S. Gulati	Senior Fellow, Centre for Development Studies Trivandrum and Visiting Professor, NIPFP	February 8, 1978,	Financial Transfers from the Centre to the States
Dr. Ashok Parikh	University of East Anglia, Norwich, U. K.	February 17, 1978	Employment Analysis Through Input-Output Methods
Dr. P. N. Agarwala	Indian Institute of Management Bangalore	March 1, 1978	Export Perspectives
Dr. Gautam Mathur	Visiting Professor of University of Allahabad	April 10, 1978	A Critique of Indian Planning
Dr. Anupam Gupta	NIPFP	April 22, 1978	The Impact of the Personal Income Tax

**Symposium Organised in Collaboration with the NCAER**

Dr. R.J. Chelliah	NIPFP		
Dr. R.M. Honavar	Ministry of Finance		
Shri I.Z. Bhatti	NCAER		
Dr. M.J.K. Thavaraj	IIPA	March 10, 1978	Central Government Budget, 1978-79
Shri K. Rangachari	Ex-editor, Statesman		
Dr. H.R. Machiraju	MDI		

ANNEXURE - IV

**List of Sponsoring, Corporate Life and Corporate Ordinary Members**

**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 Limited

**B. Life Members (Corporate)**

1. Goa, Daman and Diu
2. Himachal Pradesh
3. Meghalaya
4. Nagaland

**C. Ordinary Members (Corporate)**

**States/Union Territories**

1. Arunachal Pradesh
2. Bihar



3. Chandigarh
4. Delhi
5. Haryana
6. Jammu and Kashmir
7. Madhya Pradesh
8. Manipur
9. Pondicherry
10. Sikkim
11. Tripura

#### Others

1. Coal India Limited
2. Hindustan Lever Limited
3. Indian Bank
4. Indian Overseas Bank
5. Silk and Art Silk Association
6. State Bank of India
7. Syndicate Bank
8. Visvesvaraya Centre for Management Studies

#### ANNEXURE V

### National Institute of Public Finance and Policy Members of the Governing Body as on 1.5.78

- |   |          |
|---|----------|
| 1. Professor D. T. Lakdawala<br>Deputy Chairman<br>Planning Commission<br>Yojna Bhavan<br>New Delhi-110 001.                                    | Chairman |
| 2. Dr. I. S. Gulati<br>Fellow<br>Centre for Development Studies<br>Aakulam Road, Ulloor<br>Trivandrum-695 011.                                  | Member   |
| 3. Dr. B. K. Madan<br>Chairman<br>Management Development Institute<br>F-45, N.D.S.E. South Extension<br>Part I, Ring Road<br>New Delhi-110 049. | Member   |
| 4. Shri G. Ramachandran<br>Finance Secretary<br>Ministry of Finance<br>Government of India<br>North Block<br>New Delhi-110 001.                 | Member   |
| 5. Dr. Manmohan Singh<br>Secretary<br>Department of Economic Affairs<br>Ministry of Finance<br>North Block<br>New Delhi-110 001.                | Member   |
| 6. Dr. Ajit Mozoomdar<br>Secretary<br>Planning Commission<br>Yojna Bhawan<br>New Delhi-110 001.   | Member   |



- |   |        |
|---|--------|
| 7. Dr. A. K. Banerji<br>Executive Director<br>Reserve Bank of India<br>Central Office<br>Bombay-400 001.  | Member |
| 8. Shri I. Z. Bhatt<br>Deputy Director General<br>National Council of Applied Economic Research<br>Parisila Bhawan<br>11, Indraprastha Estate,<br>New Delhi-110 002.  | Member |
| 9. Shri F. A. A. Jasdanwalla<br>President<br>Associated Chambers of Commerce and<br>Industry of India<br>17, Parliament Street.<br>New Delhi-110 001.                 | Member |
| 10. Shri Pravinchandra V. Gandhi<br>President<br>Federation of Indian Chambers of<br>Commerce and Industry<br>Federation House<br>Tansen Marg<br>New Delhi - 110 002. | Member |
| 11. Shri R. P. Ojha<br>Financial Commissioner and Secretary<br>Government of Punjab<br>Finance Department<br>Punjab Civil Secretariat<br>Chandigarh - 160 017.        | Member |
| 12. Shri Mangal Bihari<br>Financial Commissioner and Secretary<br>Government of Rajasthan<br>Finance Department<br>Jaipur - 302 001.                                  | Member |
| 13. Shri Tribhuwan Prasad<br>Financial Commissioner and Secretary<br>Finance Department<br>Government of Uttar Pradesh<br>Lucknow - 226 001.                          | Member |

- |  |                  |
|--|------------------|
| 14. Shri S. Kumarasundaram<br>General Manager<br>Industrial Credit and Investment<br>Corporation of India Ltd.,<br>163, Backbay Reclamation<br>Bombay - 400 020. | Member           |
| 15. Dr. C. Rangarajan<br>R. B. I. Professor of Economics<br>Indian Institute of Management<br>Vastrapur<br>Ahmedabad - 380 015.                                  | Member           |
| 16. Dr. D. M. Nanjundappa<br>Economic Adviser and Special Secretary<br>Government of Karnataka<br>Bangalore - 560 001.   | Member           |
| 17. Dr. R. J. Chelliah<br>Director<br>National Institute of Public<br>Finance and Policy<br>12, Rajendra Place<br>New Delhi - 110 008.                           | Member-Secretary |



# ANNEXURE - VI

## NIPFP : ACCOUNTS

### Details of the Ford Foundation Grant

Grantee :	National Institute of Public Finance and Policy	
Description :	Developmental support for the Institute	
Amount :	\$200, 000	
Period :	Two years	
Estimated budget :	Fellowships in India and abroad for the Institute's staff and the Director's trip abroad for recruitment	\$ 60, 000
	Collaborative research with Institutes in India and abroad	20, 000
	Library and Equipment	60, 000
	Buildings, partial support	60, 000
	Total	\$ 200, 000

Objectives of grant : The proposed grant will help the Institute to engage in a continuous study of the fiscal system, measurement of the efforts of the budgetary policy on the economy, training of the union, state and local government officials in fiscal administration and policy making and advisory and research activities at the request of Central and State governments.



## AUDITOR'S REPORT TO THE MEMBERS OF THE GENERAL BODY

We have examined the Statement of Financial Position of the National Institute of Public Finance And Policy as at 31st March, 1978 and the Income and Expenditure Statement for the year ended as on that date, which are in agreement with the books of accounts maintained by the said Institute.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for purposes of the audit. In our opinion proper books of account have been kept by the Institute so far as appears from our examination of the books.

In our opinion and to the best of our information and according to explanations given to us, the said accounts give a true and fair view :

- i. in the case of the Statement of Financial Position of the state of the affairs of the Institute as at 31st March, 1978, and
- ii. in the case of the Income and Expenditure Statement, the surplus for the year ended on 31st March, 1978.

R  
354.54062(N)  
N 21A  
28



For Sood Brij & Associates  
Chartered Accountants

Sd/-  
Brij Mohan Gupta  
Partner

Place : New Delhi

Dated : May 9th, 1978



# STATEMENT OF FINANCIAL POSITION

	Schedule	As on 31st March	
		1978 Rs.	1977 Rs.
FUNDS	A	52,65,307	37,00,000
RESERVES	B	1,95,063	3,37,409
CURRENT LIABILITIES			
— For Expenses		52,461	38,898
— Grant received in advance		20,300	—
— Security Deposit		100	2,000
— Others		10,255	16,747
TOTAL		55,43,486	40,95,054
REPRESENTED BY —			
FIXED ASSETS	C	2,41,013	1,52,137
INVESTMENTS	D	50,20,000	37,00,000
CURRENT ASSETS	E	2,82,473	2,42,917
TOTAL		55,43,486	40,95,054

Sd/-  
Accountant

Sd/-  
Director

Sd/-  
Chairman

As per our report of even date  
For Sood Brij & Associates

Sd/-  
Brij Mohan Gupta  
Partner

Place : New Delhi

Dated : May 9th, 1978

# SCHEDULE 'A'

FUNDS	As at 31st March	
	1978 Rs.	1977 Rs.
CAPITAL FUND		
As per last accounts	—	—
Add : Transferred from General Reserve for cost of Fixed Assets acquired during 1976-77	1,73,800	—
Net value of Assets acquired during the year	1,22,757	2,96,557
ENDOWMENT FUND		
As per last accounts	37,00,000	37,00,000
Add : Contribution received during the year	7,50,000	44,50,000
LIFE MEMBER FUND		
As per last accounts	—	—
Add : Transferred from General Reserve for instalments received in 1976-77	8,000	—
Received during the year	72,000	80,000
SCIENTIFIC RESEARCH FUND		
As per last accounts	—	—
Add : Contributions received during the year	4,38,750	4,38,750
TOTAL	52,65,307	37,00,000

Sd/-  
Accountant

Sd/-  
Director

Sd/-  
Chairman

As per our report of even date  
For Sood Brij & Associates

Sd/-  
Brij Mohan Gupta  
Partner

Place : New Delhi

Dated : May 9th, 1978



# RESERVES

## GENERAL RESERVE

As per last accounts	3,37,409
Add : Surplus for the year	23,979
	<u>3,61,388</u>

## Less : Transfers to :

Capital Fund	1,73,800
Life Members Fund	8,000
Contingency Reserve	<u>50,000</u>
	<u>2,31,800</u>

## CONTINGENCY RESERVE

As per last accounts	—
Add : Transfer from	
General Reserve	<u>50,000</u>

## GRATUITY RESERVE

As per last Accounts	—
Provided during the year	<u>15,475</u>

Sd/-  
Accountant

Sd/-  
Director

Sd/-  
Chairman

Place : New Deihi  
Dated : May 9th, 1978

As per our report of even date  
For Sood Brij & Associates

Sd/-  
Brij Mohan Gupta  
Partner

# SCHEDULE 'B'

As on 31st March  
1978 1977  
Rs. Rs.

# SCHEDULE 'C'

## FIXED ASSETS AS AT 31st MARCH 1978

Description	GROSS BLOCK AT COST		DEPRECIATION		W.D.V. as at 31st March	
	As at 1st April 1977	Additions during the year	As at 31st March 1978	For the year 1977	Total	1978
Furniture and Fixture	1,18,129	61,986	1,80,115	11,813	16,693	1,51,609
Office Equipment	25,414	59,953	85,367	3,812	12,234	69,321
Vehicles	29,977	—	29,977	5,996	4,796	19,185
Library Books	280	818	1,098	42	158	898
					200	238
TOTAL	Rs. 1,73,800	1,22,757	2,96,557	21,663	33,881	2,41,013
					55,544	1,52,137

Sd/-  
Accountant

Sd/-  
Director

Sd/-  
Chairman

Place : New Delhi

Dated : May 9th, 1978

As per our report of even date  
For Sood Brij & Associates

Sd/-  
Brij Mohan Gupta  
Partner



# SCHEDULE 'D'

## INVESTMENTS (In Fixed Deposit)

	Public Sector Banks	Public Limited Companies	As on 31st March	
			1978 Rs.	1977 Rs.
Endowment Fund	39,50,000	5,00,000	44,50,000	
	(34,00,000)	(3,00,000)		37,00,000
Scientific Research Fund	3,85,000	—	3,85,000	—
Others	1,85,000	—	1,85,000	—
<b>TOTAL</b>			<b>50,20,000</b>	<b>37,00,000</b>

Sd/-  
Accountant

Sd/-  
Director

Sd/-  
Chairman

As per our report of even date  
For Sood Brij & Associates

Sd-  
Brij Mohan Gupta  
Partner

Place : New Delhi

Dated : May 9th, 1978

# SCHEDULE 'E'

## CURRENT ASSETS

As on 31st March

	1978	1977
	Rs.	Rs.
<b>CASH AND BANK BALANCES</b>		
Cash on hand	580	54
Postage Imprest	7	—
Bank Balance in Current Accounts	2,58,955	2,08,426
<b>ADVANCES AND DEPOSITS</b>		
Prepaid Expenses	13,378	21,240
Security Deposits	547	—
Interest accrued but not due on investments	9,006	13,197
<b>TOTAL</b>	<b>2,82,473</b>	<b>2,42,917</b>

Sd/-  
Accountant

Sd/-  
Director

Sd/-  
Chairman

As per our report of even date  
For Sood Brij & Associates

Sd/-  
Brij Mohan Gupta  
Partner

Place : New Delhi

Dated : May 9th, 1978



# INCOME AND EXPENDITURE STATEMENT

		year ended 31st March	
		1978	1977
INCOME		Rs.	Rs.
Grant-in-aid		5,00,000	5,00,000
Corporate Membership Fees		20,000	42,000
Project Fees		77,500	37,500
Course and Programme Fees		1,000	—
Interest earned on —			
— Endowment Fund Investments	4,43,614		1,67,633
— Research Fund Investments	27,814		—
— Other Investments	7,644	4,79,072	—
Miscellaneous Receipts		—	1,250
Excess provision of last year written back		909	—
<b>TOTAL</b>		<b>10,78,481</b>	<b>7,48,383</b>
EXPENDITURE			
Salaries and Staff Expenses		5,71,890	1,82,969
Rent		1,68,014	88,843
Water and Electricity		5,229	2,620
Printing and Stationery		19,347	10,517
Postage, Telegrams and Telephones		10,670	38,846
Repairs and Maintenance		9,201	4,112
Travelling and Conveyance		22,272	11,762
Motor Car Expenses		6,212	3,112
Books and Periodicals		59,069	23,350
Audit Fee		750	750
Miscellaneous Expenses		9,735	22,630
Depreciation		33,881	21,663
Cost of Fixed Assets acquired during the year transferred to Capital Fund		1,22,757	—
Gratuity Reserve		15,475	—
<b>TOTAL</b>		<b>10,54,502</b>	<b>4,10,974</b>
Net Surplus		23,979	3,37,409
Transferred to the General Reserve		23,979	3,37,409

Sd/-  
Accountant

Sd/-  
Director

Sd/-  
Chairman

As per our report of even date  
For Sood Brij & Associates

Sd/-  
Brij Mohan Gupta  
Partner

Place : New Delhi  
Dated : May 9th, 1978