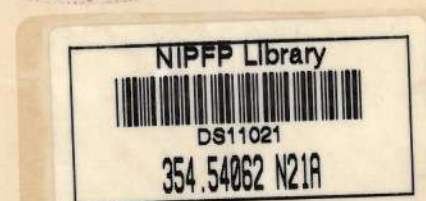


ANNUAL REPORT

For the year 1978-79

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**NATIONAL INSTITUTE OF PUBLIC
FINANCE AND POLICY**

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ANNUAL REPORT

For the year 1978-79

NATIONAL INSTITUTE OF PUBLIC

FINANCE AND POLICY

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**REPORT OF THE GOVERNING BODY OF THE NATIONAL
INSTITUTE OF PUBLIC FINANCE AND POLICY FOR
THE FINANCIAL YEAR 1978-79**

Introduction

The year 1978-79 is the third year of operation of the Institute. During this year, the Institute continued and expanded substantially its research programmes and consultancy activities on behalf of the State governments. The most notable new developments are the beginnings made with training programmes, the research assistance given to the Seventh Finance Commission and the accelerated development of the Institute's library.

As on March 31, 1979, the Institute had on its rolls 16 professional staff members including the Director; in addition there were also 8 temporary research investigators attached to various projects. The list of faculty members other than temporary research investigators is given in Annexure 1. During the year the professional staff position was strengthened by the recruitment of one senior fellow, one senior tax analyst and one young economist.

It may be recalled that during the year 1977-78 the Reserve Bank of India had signified its willingness to endow a chair in Fiscal Policy at the Institute and that it had not been possible during that year to locate a suitable candidate. In accordance with the request made by the Selection Committee which had met on April 29, 1978, the Director explored various possibilities and contacted a number of potential candidates. We are glad to report that, on the recommendation of the Selection Committee, an offer of appointment to the chair in Fiscal Policy has been made to Dr. A. Bagchi, Director, Fiscal Policy Cell, Department of Economic Affairs, Ministry of Finance. The Department of Economic Affairs, have agreed to release Dr. Bagchi as soon as his present assignment as Member-Secretary of the Committee on the Tax Impact on Production is completed. Dr. Bagchi has accepted the offer and is expected to join duty by about the end of September 1979.

Research Activities

In the current year some research projects undertaken during the previous year were completed and certain important new ones were started.

It was stated in the report for the year 1977-78 that work had been started on a project dealing with Major Issues in Federal Finance. A research team of the Institute worked

on this project and a detailed theoretical-cum-empirical paper was prepared by the middle of the year 1978, which reviewed the principles and impact of the recommendations of the first six Finance Commissions and highlighted the major issues facing the Seventh Commission. This paper was submitted as the basic discussion paper to a Seminar on Major Issues in Federal Finance organised by the Institute on July 1 and 2, 1978, which was sponsored by the ICSSR.

The study on the Impact of Personal Income Tax was completed during this year and a report was brought out. Copies of the report have been circulated to interested scholars, senior officials of the Central Board of Direct Taxes and all the Members of the General Body of the Institute. The study would be revised and published shortly. Significant progress has been made in regard to the project on Corporate Taxation. One section of the study containing a discussion of the theory of Corporate Profits Taxation and of Alternative Systems of Taxing Corporate Profits has been completed.

With the completion of several of the projects undertaken earlier, certain important new projects were taken up during the year under reference. The World Bank has sponsored a project on the Measurement of Comparative Tax Effort by Indian States. This project covers 15 States and all the major taxes levied by them. In measuring tax effort, by agreement with the sponsors, we are employing what has been called the Representative Tax System Approach. This project is nearing completion. The second major new project undertaken during the year, is on the Growth of Government Expenditure. This study would enquire into the sources of growth of government expenditure as well as examine the commodity composition of public expenditure. Making use of the input-output table, the study would seek to measure the sectoral impact of increases in government expenditure. Initially, attention is being confined to Central government expenditure. In course of time, the study would be extended to cover expenditure by a few State governments. The Institute has submitted the study for sponsorship to the Planning Commission; however, work on the project has already been started.

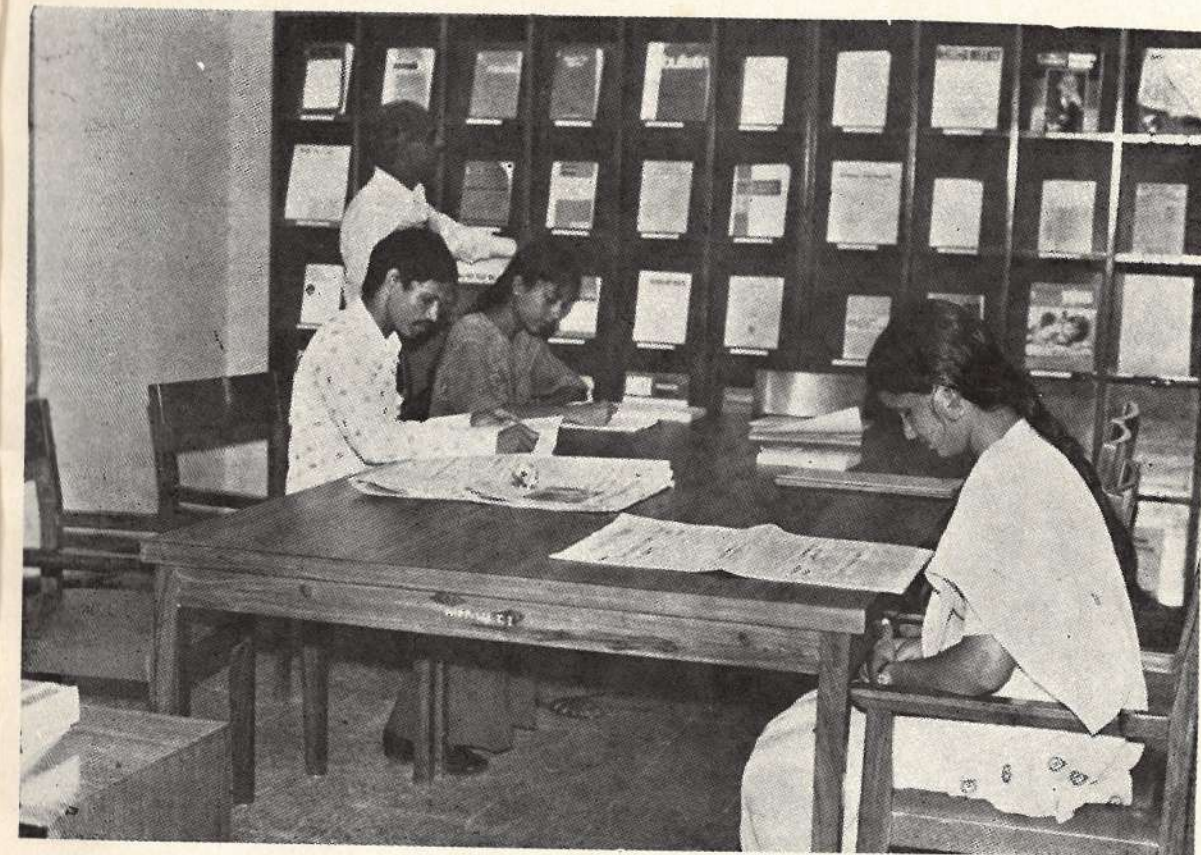
As desired by Members at the General Body meeting held on August 19, 1978, the titles of projects already completed, on-going projects and projects proposed to be undertaken by the Institute are given in Annexure II.

A seminar paper on "Financing of Capital Formation in the Government Sector in India : 1950-51 to 1975-76" was prepared by the Institute and submitted to the Conference of the Indian Association for Research in National Income and Wealth, held in Trivandrum in December 1978. This paper is being published after revision in The Journal of Income and Wealth which is the official journal of the Association.

Soon after the announcement of the Union Budget for the financial year 1979-80, the staff of the Institute prepared an empirical paper on "The Impact of the Union Budget". This paper was submitted to a joint symposium on the Union Budget organised by the Institute and the NCAER. One section of this paper dealt with the impact of the budget deficit on money supply and prices. This part was subsequently expanded and issued as a working paper entitled "An Assessment of the Impact of the Union Budget 1979-80".



Dr. R. J. Chelliah, Director, NIPFP, welcoming Shri H. M. Patel, Union Finance Minister, at the national seminar on 'Major Issues in Federal Finance' held at New Delhi on July 1 & 2, 1978.



Reading Room in the Institute's Library.

The Government of Nigeria had requested the Institute to prepare a paper on the Indian experience in curbing tax evasion and tax avoidance, specially by privately employed professional persons and illiterate traders and businessmen with small means. The External Affairs Ministry, Government of India, gave consent to the Institute preparing this paper on behalf of the Federal Government of Nigeria. A fairly detailed paper on "Curbing Tax Evasion and Tax Avoidance - The Indian Experience" was prepared and submitted to the Nigerian High Commission, New Delhi by the end of the year.

Work for the State Governments

In this area the assignments of the Institute have expanded fairly rapidly. The survey of the tax system of Assam, undertaken in the year 1977-78, was completed and a detailed report was submitted to the Government containing recommendations for major reforms of the tax structure and improvement in tax administration. Permission from the State government is awaited for the publication of this report. Secondly, it may be recalled that a study of the sales tax system of the State had been entrusted to the Institute by the Government of Bihar sometime in February 1978. The study has now been completed and a draft report has been submitted to the Commissioner of Commercial Taxes. The report would be finalised in the light of comments received from the Commercial Taxes Department. Thirdly, the Institute is doing a considerable amount of background research work in connection with the work of Gujarat Taxation Enquiry Commission of which the Director of the Institute, Dr. R. J. Chelliah, is the Chairman. The work of the Gujarat Taxation Enquiry Commission has moved ahead according to plans and is likely to be completed within a period of about four months. Fourthly, the Government of Uttar Pradesh has constituted a Taxation Enquiry Committee under the Chairmanship of Dr. R.J. Chelliah, Dr. K.N. Reddy, Senior Fellow in the Institute, has been appointed one of the members of the Committee so that he could oversee the research needed in connection with the work of the Committee. It is expected that the measurement of incidence of State taxes in Uttar Pradesh would be undertaken at the Institute on behalf of the Committee.

One of the objectives of the Institute is to help State governments build up a comprehensive information system for their Taxation Departments. In the four studies undertaken or being undertaken for the State governments, special attention has been paid to this aspect and detailed recommendations have been made on the setting up of an information system. In furtherance of this objective, the Institute organised a Workshop on the "Computerisation of Sales Tax Data" on October 12-13, 1978 in the premises of the Institute of Economic Growth. A basic paper was submitted by the Institute to this workshop. The workshop was well attended and elicited keen interest from the representatives of several State governments. The proceedings of the workshop, together with the discussion paper prepared by the Institute, would be soon brought out and circulated to all State governments.

It had been stated in the report for the year 1977-78 that the Department of Personnel and Administrative Reforms, Ministry of Home Affairs, had requested the Institute, at the instance of the Planning Commission, to organise a Workshop for State government officials on

"The Techniques of Budgetary Projections". We are glad to report that a workshop on this subject was held in Delhi in February 1979. In addition to lectures by the staff of the Institute and exercise sessions, guest lectures were delivered by eminent scholars and experienced persons such as Prof. Raj Krishna, Prof. I. S. Gulati, Dr. B. Bhattacharya and Shri B. Sivaraman, Joint Secretary, Seventh Finance Commission. This workshop could accommodate officers only from about half of the States. To accommodate officials from the other States, a second workshop was scheduled to be held at the beginning of the year 1979-80*.

Finally, work is on hand for the compilation of comparative data on tax rates and tax structure in the different States on the basis of the information contained in the memoranda submitted by the States to the Seventh Finance Commission. It is expected that the first comparative statement on sales taxation would be brought out within the next three months.

Visiting Professors

Prof. I. S. Gulati continues to be a Visiting Professor of the Institute. He visits the Institute from time to time, gives seminars and participates in our research activities by giving guidance and commenting on research papers, etc. Dr. P. Nagarajan, Visiting professor from the University of Prince Edward Island, Canada, came to the Institute in November 1977, and was with us till the end of August 1978. Dr. Nagarajan was conducting research on "The Growth Pattern of Government Expenditure in India".

Exchange of Scholars and Collaborative Research

During the months of October/November 1978, the Director of the Institute went on a tour of a number of centres of higher learning in the U.S.A., Canada and the U.K., specialising in the field of Public Finance. (A separate report on the tour has been submitted to the Governing Body.) During this tour, the Director discussed possibilities of training, collaborative research and exchange of scholars with a number of Universities. The Maxwell School of Business at the University of Syracuse and the Institute of Economic and Social Research at the University of York seem to offer the greatest potential for exchange of scholars and collaborative work. The Institute would like to develop research work in the field of state and local finances in collaboration with the Syracuse University. The Ford Foundation grant would enable the Institute to send one or two members of staff for training and post-doctoral work at this University. Also it would be possible to invite renowned scholars to come and spend a few weeks with us. Under this programme, Prof. Larry Schroeder of Syracuse University is expected to visit the Institute and stay with us for about three weeks in the month of May 1979.

Seminars

The programme of seminars given by visiting scholars or the Institute's own staff was continued. These seminars are intended mainly for the benefit of the Institute's staff. However, whenever a distinguished scholar comes to deliver a talk or lead a discussion on some important

* The Second Workshop was held in Bangalore from May 14-24, 1979.

subject, we also invite people from other institutions such as the Universities and Government departments. The details of the regular seminars given during the year are given in Annexure III. One of the highlights of the programme during this year was the seminar given by Lady Ursula Hicks from Linacre College, Oxford, a well known international authority on Problems of Federal Finance. In addition to the regular seminars, we organised two joint Symposia. The first one was organised jointly with the NCAER on the Union Budget for 1979-80. The second one was jointly organised with the Institute of Economic Growth on the Seventh Finance Commission's Recommendations. At both these Symposia, in addition to the staff of the Institute and the collaborating Institutions concerned, eminent scholars from outside were also invited to participate.

Library

During the year, nearly a thousand volumes of books, reports and other publications, Indian and foreign, relating to Public Finance, Public Policy and allied subjects were added to the holdings of the Library. As of now, 70 periodicals including loose-leaf series are being received in the Library. (The list of Journals received in the Library is given in Annexure IV.) Our books, reports, reprints and mimeographed papers are being sent on an exchange basis to well known Institutions, both in India and other countries. Prominent Institutions abroad with which we have such an exchange arrangement are the Institute for Policy Analysis, University of Toronto, Canada; Fiscal Affairs Department, International Monetary Fund, Washington D. C.; Institute of Economic and Social Research, University of York, the U. K.; The Maxwell School of Business, Syracuse University, the U. S. A.; The Department of Economics, Erasmus University, Rotterdam, Netherlands; and Centre for Research on Federal Financial Relations, The Australian National University, Canberra, Australia.

Corporate Membership

The strength of corporate members has not changed significantly during the year. The Government of Madhya Pradesh has become a life corporate member by paying an additional amount of Rs. 18,000. With the addition of Madhya Pradesh, we have now five Life Corporate Members. The Government of Arunachal Pradesh has recently written to us stating that they wish to discontinue their membership. A list of Corporate Members as on 31-3-1979 is given in Annexure V.

Composition of the Governing Body

Certain changes have taken place in the composition of the Governing Body during the year. As the two-year term of representation of Punjab, Rajasthan and Uttar Pradesh was over by the end of 1978-79, they were replaced on the Governing Body by the Governments of Andhra Pradesh, Karnataka and West Bengal, who had become sponsoring members after the former three Governments. Shri B. P. R. Vithal, Secretary, Finance Department, Andhra Pradesh; Shri M. K. Venkatesan, Financial Commissioner and Secretary, Karnataka and Shri M. G. Kutty, Secretary, Finance Department, West Bengal have been nominated by their respective

Governments to serve on the Institute's Governing Body.

Shri P. J. Fernandes, having been transferred, Shri G. Ramachandran, his successor in the office of Finance Secretary, Government of India, became an ex-officio member of the Governing Body. Also during the year, Dr. V. B. Kadam, Adviser and Officer-in-charge of the Economic Department, Reserve Bank of India has been nominated as a member of the Governing Body in place of Dr. A. K. Banerjee, who had retired. During this year, Shri Pravinchandra V. Gandhi represented the Federation of Indian Chambers of Commerce and Industry and Shri F. A. A. Jasdanwalla represented the Associated Chambers of Commerce and Industry of India on the Governing Body. A list of the Governing Body members is given in Annexure VI.

Endowment Fund

During the year a sum of Rs. 3,50,000 was received as payment towards the Endowment Fund raising its level to Rs. 48,00,000. Contributions received during the year consist of the second instalment from the Government of Tamil Nadu amounting Rs. 1, 50, 000 and the second instalment of Rs. 2,00,000 from the Industrial Credit and Investment Corporation of India, Limited.

In accordance with the decision taken by the Governing Body, a sum of Rs. 1,50,000 was transferred to the Building Fund Account to meet part of the payment towards purchase of land for the Institute's building. After transferring this amount to the building fund, the balance in the endowment fund as on March 31, 1979 was Rs. 46,50,000. During the year a sum of Rs. 30,000 was received from some members of the Associated Chambers of Commerce and Industry of India, thereby raising the latter's contribution to Rs. 4,65,750 against the total promised contribution of Rs. 5,00,000. This amount has been placed separately in the Scientific Research Fund.

Ford Foundation Grant

During this year, out of a total non-recurring grant of US \$ 2,00,000 sanctioned by the Ford Foundation, the Institute obtained release of the following amounts :

In Rupees	2, 38, 794
In US \$	50, 000

As on March 31, 1979, we had spent out of the grant the equivalent of US \$ 31,491. Detailed break-up of utilisation of the grant is given in Annexure VII.

Building for the Institute

For supervising the work of construction of the building of the Institute and for taking all necessary steps in that connection, the Governing Body appointed a Building Committee consisting of Dr. B. K. Madan, Chairman, Shri I. Z. Bhatta, Shri R. Krishnamurthi, (representative

of the Finance Ministry.), a representative of the Associated Chambers of Commerce & Industry of India, the Chief Architect to the Government of India (representative of the Ministry of Works and Housing), and the Director of the Institute as convener.

The Building Committee has taken steps to appoint an architect for the Institute's building. An advertisement was issued in two leading newspapers regarding the work of the building of the Institute and inviting applications from well established architect firms, preferably based in Delhi. 35 responses were received. After proper scrutiny the Building Committee appointed a Sub-Committee to interview four firms of architects. On the recommendation of the Sub-Committee which interviewed the representatives of these firms, the Building Committee finally selected M/s. Raj Rewal Associates to be the architects for the first phase of Institute's building. Currently, the architect is preparing the preliminary sketches to be shown to the Building Committee.

Conclusion

The Governing Body is happy to note that during the third year of operation, the Institute has been able to substantially expand its research and consultancy activities. It has also noted with satisfaction that the Institute has made a promising beginning with its training programme for State government officials. The Institute may be said to have demonstrated its usefulness to the various member governments.

For and on behalf of the Governing Body.

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

Sd/-
(Ajit Mozoomdar)
Member

Sd/-
(D. T. Lakdawala)
Chairman

New Delhi : 19-6-1979

ANNEXURE-I

List of Faculty Members

(as on May 31, 1979)

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.	K. N. Reddy	M. A., Ph. D	Senior Fellow
4.	M. C. Purohit	M. A., Ph. D	Fellow
5.	Shyam Nath	M. A., Ph. D	Senior Economist
6.	Narain Sinha	M. Sc., M. A., Ph. D	Senior Economist
7.	J. S. Kapoor	B. A. (Hons), L L. B.	Senior Tax Analyst
8.	M. Govinda Rao	M. A., Ph. D	Economist
9.	K. K. Atri	M. A.	Econometrician
10.	J. V. M. Sarma	M. A.	Econometrician
11.	Ranjana Ghoshal	M. A., M. Phil	Economist
12.	Pawan Kumar Aggarwal	M. Sc.	Economist
13.	M. Srinivasa	M. A.	Economist
14.	S. Gopalakrishnan	M. A.	Research Assistant
15.	Vijaya Devi Kasana	M. A.	Research Assistant
16.	M. M. Ansari	M. A.	Research Assistant

ANNEXURE II

List of Projects

Projects already completed

1. Trends, Composition and Elasticity of Union Excise and Import Duties
2. Buoyancy and Elasticity of State Indirect Taxes (1960-61 to 1974-75)
3. Incidence of Indirect Taxation in India — 1973-74
4. Impact of Personal Income Tax
5. Major Issues in Federal Finance
6. A Survey of Tax System in Assam

On-going projects

1. Corporate Profits Taxation in India
2. Rationalisation of Sales Tax Structure in Bihar
3. Central Government Expenditure - A Study of its Growth, Structure and Composition
4. Tax Effort among Indian States

Projects proposed to be undertaken

1. Profile on Indian Public Finance
2. Resource Mobilisation by the Private corporate Sector
3. Distribution of Public Expenditure Benefits

Seminars and Symposia held at the Institute during 1978-79

Speaker	Institutional Affiliation	Date	Topic
Prof. Gautam Mathur	University of Allahabad	April 10, 1978	Some Aspects of Economic Planning in India
Dr. Anupam Gupta	NIPFP, New Delhi	April 22, 1978	The Impact of the Personal Income Tax
Dr. V. V. Bhatt	Public and Private Finance Division, International Bank for Reconstruction and Development	August 8, 1978	Transfer of Technology
Mr. J. S. Kapoor	Income Tax Department New Delhi	October 4, 1978	Business Deduction and Depreciation Provisions
Prof. P. R. Brahmananda	University of Bombay	December 10, 1978	Some Ideas on the Theory of Public Finance
Dr. Shyam Nath	NIPFP	January 19, 1979	Measurement of Inter-Sectoral Tax Incidence (A case study of Rajasthan State)
Lady Ursula Hicks	Oxford University	February 16, 1979	Problems of Federal Finance
Dr. B. B. Bhattacharya	Institute of Economic Growth, Delhi	March 30, 1979	A Behavioural Model of the Public Sector Revenue and Expenditure in India

In addition, two special Seminars and one Symposium were held :

I. Inaugural address by	Finance Minister Government of India	July 1, 2, 1978	Major Issues in Federal Finance
Shri H. M. Patel	Government of India		
Prof. D. T. Lakdawala	Dputy Chairman Planning Commission		
Dr. R. J. Chelliah	NIPFP, New Delhi		
Dr. G. Thimmiah	ISEC, Bangalore		
Dr. M.J.K. Thavaraj	IIPA, New Delhi		

Presentation of papers

Members of the Planning Commission and Seventh Finance Commission were present by invitation

II. Seminar organised in collaboration with the Institute of Economic Growth :

Mr. Balraj Mehta	Indian Express		
Mr. N. S. Jagannathan	Statesman		
Dr. B. B. Bhattacharya	IEG		
Dr. Raj Krishna	Planning Commission		
Prof. M. V. Mathur	National Staff College for Educational Planners & Administrators		
Mr. H. N. Ray	Former Finance Secretary Government of India	March 19, 1979	Report of the Seventh Finance Commission
Dr. C.H. Hanumantha Rao	IEG		
Dr. R. J. Chelliah	NIPFP		
Dr. K. N. Reddy	NIPFP		

III. Symposium organised in collaboration with the NCAER :

Mr. Prakash Tandon	NCAER		
Mr. I. Z. Bhattu	NCAER		
Dr. V. D. Lall	NIPFP		
Dr. A. Bagchi	Ministry of Finance		
Mr. S. K. Govil	Planning Commission		
Mr. Balraj Mehta	Indian Express		
Dr. M. J. K. Thavaraj	IIPA	March 20, 1979	Central Government Budget 1979-80

ANNEXURE-IV

List of Journals being received at the Institute Library

INDIAN

1. Anvesak ($\frac{1}{2}$ Yly)
2. Artha Vijnana (Q)
3. Chartered Accountant (M)
4. Economic and Political Weekly (W)
5. Employment Review (Q)
6. ICSSR Newsletter (Q)
7. Income Tax Reports (W)
8. Indian Dissertation Abstracts (Q)
9. Indian Economic Journal (Q)
10. Indian Economic Review ($\frac{1}{2}$ Yly)
11. Indian Journal of Public Administration (Q)
12. Journal of Abstracts and Reviews : Economics (Q)
13. Journal of Income and Wealth ($\frac{1}{2}$ Yly)
14. Lok Udyog (M)
15. Margin (Q)
16. MDI Quarterly (Q)
17. Monthly Abstract of Statistics (M)
18. Prajnan (Q)
19. Rajasthan Economic Journal ($\frac{1}{2}$ Yly)
20. Reserve Bank of India Bulletin (M)
21. Reserve Bank Staff Occasional Papers ($\frac{1}{2}$ Yly)
22. State Bank of India Monthly Review (M)
23. Sankhya (Q)
24. Span (M)
25. Taxation (M)
26. Yojana (F-N)
27. Stock Exchange Official Directory (Weekly Replacement Service)

FOREIGN

28. ADIPA Newsletter (Q) ($\frac{1}{2}$ Yly)
29. American Economic Review (Q)
30. British Tax Review (2-M)
31. Bulletin For International Fiscal Documentation (M)
32. Canadian Journal of Economics (Q)
33. Canadian Tax Journal (2-M)
34. Developing Economies (Q)
35. Economic Impact (Q)

36. Economic Journal (Q)
37. Economist (W)
38. Finance & Development (Q)
39. Finanzarchiv (Q)
40. IMF Staff Papers (4-M)
41. IMF Survey (F-N)
42. International Tax Journal (2-M)
43. Journal of Corporate Taxation (Q)
44. Journal of Economic Literature (Q)
45. Journal of Finance (Q)
46. Journal of Political Economy (2-M)
47. Journal of Public Economics (2-M)
48. Journal of Taxation (M)
49. Kyklos (Q)
50. Manchester School of Economic & Social Studies (4-M) (Q)
51. National Tax Journal (Q)
52. Oxford Economic Papers (4-M)
53. Public Choice (Q)
54. Public Finance (Q)
55. Public Finance Quarterly (Q)
56. Quarterly Journal of Economics (Q)
57. Review of Economic Studies (4-M) (Q)
58. Review of Economics & Statistics (Q)
59. Review of Income and Wealth (Q)
60. Scottish Journal of Political Economy (Q) (4-M)
61. Tax Planning International (M)
62. African Tax Systems
63. British Tax Encyclopaedia
64. Corporate Taxation in Latin America
65. Income Taxes Worldwide
66. Tax News Service
67. Taxation of Companies in Europe
68. Taxes and Investment in Asia and the Pacific
69. Taxes and Investment in the Middle East
70. Value Added Taxation in Europe

} Loose-leaf Service

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

ANNEXURE V

**List of Corporate Sponsoring, Life and 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 Ltd.

B. Life Members

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

C. Ordinary Members

States/Union Territories

1. Bihar
2. Chandigarh
3. Delhi

4. Haryana
5. Jammu & Kashmir
6. Manipur
7. Pondicherry
8. Sikkim
9. Tripura

Others

1. Coal India Ltd.
2. Hindustan Lever Ltd.
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-VI

Members of the Governing Body as on May 31, 1979

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

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|--|--------|
| 7. Dr. V. B. Kadam
Advisor and Officer-in-charge
Economic Department
Reserve Bank of India
Central Office
Bombay-400 001. | Member |
| 8. Shri I. Z. Bhatt
Deputy Director General
National Council of Applied Economic Research
Parisila Bhawan
11, Indraprastha Estate,
New Delhi-110 002. | Member |
| 9. Shri A. L. Mudaliar
President
Associated Chambers of
Commerce and Industry of India
17, Parliament Street,
New Delhi-11 0001. | Member |
| 10. Shri Harishankar Singhania
President
Federation of Indian Chambers
of Commerce and Industry
Tansen Marg
New Delhi-110 002. | Member |
| 11. Shri B. P. R. Vithal
Secretary
Finance and Planning Department
Government of Andhra Pradesh
Hyderabad-500 022. | Member |
| 12. Shri M. K. Venkateshan
Financial Commissioner and
Secretary
Finance Department
Government of Karnataka
Vidhana Sondha
Bangalore-560 001 | Member |
| 13. Shri M. G. Kutty
Secretary
Finance Department
Government of West Bengal
Writers Building
Calcutta-700 001. | Member |

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

Details of Ford Foundation Grant

1978-79

During the year the Institute received the following grants from the Ford Foundation out of the total sanction of US \$ 2,00,000 towards developmental support of the Institute :

Receipts :

In Dollar Account : US \$ 50,000 (equivalent to Rs. 3,97,140)

In Rupee Account : US \$ 29,200 (equivalent to Rs. 2,38,794)

Utilisation :

Dollar Account	\$	Equivalent Rs.
Books & Periodicals	2886.66	22,928.20
Director's Tour	5071.00	40,278.00
Bank Charges	5.00	39.71
Balance	42037.34	3,33,894.67

Rupee Account

1. Library Books and Periodicals	Rs. 13,204.00
2. Office Equipment	Rs. 15,404.00
3. Land and Building	Rs. 1,63,800.00

 Rs. 1,92,408.00

(equivalent to \$ 23,528)

Balance Rs. 46,386.00

ANNEXURE VIII

**List of Research Scholars who visited the Institute's Library
during 1978-79**

S. No.	Name of Scholar	University/Institute
1.	Shri C. P. Kasaiah	Lecturer, Department of Economics, S. V. University, Tirupati.
2.	Shri C. R. Thiagaraja Varma	Deputy Director of Studies, Institute of Chartered Accountants of India, New Delhi.
3.	Shri B. S. Bagla	Department of Economics, P. G. DAV College, Delhi University, Delhi.
4.	Shri S. K. Singh	A.R.S.D. College, Delhi University, Delhi
5.	Shri Virendra Dass	Department of Economics, Banaras Hindu University, Varanasi.
6.	Shri K. V. Shastri	Indian Institute of Management, Bangalore.
7.	Shri P. K. Sen	Department of Economics, Banaras Hindu University, Varanasi
8.	Shri Ashok Kumar Verma	Department of Economics, Bihar University, Muzaffarpur.
9.	Dr. Y. D. Singh	Desh Bandhu College, Delhi University, Delhi.
10.	Shri J. B. Gupta	Motilal Nehru College, Delhi University, Delhi.
11.	Mrs. S. Chari	I. P. College, Delhi University, Delhi.
12.	Shri T. Divakar Rao	Research Scholar, Andhra University, Vijayawada.
13.	Shri J. R. Gupta	Lecturer in Economics, Punjabi University, Patiala.
14.	Shri M. A. Jalil	Research Scholar, Osmania University, Hyderabad.
15.	Shri R. K. Menaria	UGC Teacher Fellow, Rajasthan University, Jaipur
16.	Shri R. J. Rajarathnam	S. V. University, Tirupati.
17.	Shri M. S. Bhat	Department of Economics, Kashmir University, Srinagar.
18.	Shri K. Narsimha Reddy	Department of Economics, Osmania University, Hyderabad.
19.	Shri S. V. S. Rao	NCAER, I. P. Estate, New Delhi
20.	Shri S. Mohanty	Department of Economics, Utkal University, Bhubaneswar.

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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 1979 and the annexed Income and Expenditure Statement for the year ended as on that date, which are in agreement with the books of account maintained by them.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for purposes of our 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 statements, subject to and read with notes thereon, 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, 1979, and
- ii) In the case of the Income and Expenditure Statement, of the surplus for the year ended 31st March, 1979.

Place : New Delhi
Dated : 12th June 1979

For Sood Brij & Associates
Chartered Accountants
Brij Mohan Gupta
Partner

STATEMENT OF FINANCIAL POSITION

	Schedule	As at 31st March	
		1979 Rs.	1978 Rs.
FUNDS			
RESERVES	A	61,67,065	52,65,307
CURRENT LIABILITIES	B	2,49,368	1,95,063
— For Expenses			52,461
— Unutilised Grant			20,300
— Security Deposit			100
— Others			10,255
TOTAL		68,77,797	55,43,486
REPRESENTED BY :			
FIXED ASSETS	C	8,50,728	2,41,013
INVESTMENTS	D	52,60,000	50,20,000
CURRENT ASSETS	E	7,67,069	2,82,473
NOTES ON ACCOUNTS	F	—	—
TOTAL		68,77,797	55,43,486

The Schedules referred above form integral part of the Statement.

K. V. Viswanathan
Accountant

R. J. Chelliah
Director

D. T. Lakdawala
Chairman

Place : New Delhi
Dated : 12th June 1979

As per our report of even date
For Sood Brij & Associates
Chartered Accountants
Brij Mohan Gupta
Partner

INCOME AND EXPENDITURE STATEMENT

	Year ended 31st March	
	1979 Rs.	1978 Rs.
INCOME		
Grant - in - Aid	5,00,000	5,00,000
Corporate Membership Fees	14,000	20,000
Project Fees	89,112	77,500
Course and Programme Fees	1,200	1,000
Interest on Investments :		
—Endowment Fund	4,58,574	4,43,614
—Research Fund	40,655	27,814
—Other Funds	4,336	7,644
I. C. S. S. R. Seminar Grant	25,650	—
Workshop (Techniques of Budgetary Projections) Grant	24,000	—
Ford Foundation Grant :		
—Rupee Account	1,92,408	—
—Dollar Account (Equivalent Indian Rupees)	63,246	—
Sale of Publication	471	—
Previous year adjustments	352	—
Excess provisions of previous year written back	128	909
TOTAL	14,14,132	10,78,481

EXPENDITURE

	Year ended 31st March	
	1979	1978
	Rs.	Rs.
Salaries and Staff expenses (Including Rs. 31,861 towards employer's contribution to Staff Provident Fund)	6,13,895	5,71,890
Rent	1,80,437	1,68,014
Water and Electricity	13,189	5,229
Printing and Stationery	40,147	19,347
Workshop (Techniques of Budgetary Projections) Expenses	24,655	—
I. C. S. S. R. Seminar Expenses	25,650	—
Postage, Telegrams and Telephones	16,835	10,670
Repairs and Maintenance	14,925	9,201
Travelling and Conveyance	37,441	22,272
Motor Car Expenses	7,961	6,212
Books and Periodicals	38,577	59,069
Publication Expenses	8,430	—
Ford Foundation Grant Expenses :		
Rupee Account :		
— Books and Periodicals	13,204	
— Office Equipment (Transferred to Capital Fund)	15,404	
— Land and Buildings (Transferred to Building Fund)	1,63,800	1,92,408
Dollar Account :		
(Equivalent Indian Rupees)		
— Books and Periodicals	22,928	
— Travelling Expenses	40,278	
— Bank Charges	40	63,246
Audit Fee	1,250	750
Miscellaneous Expenses	19,389	9,735
Carried over	12,98,435	8,82,389

	Rs.	Rs.
Brought Forward	12,98,435	8,82,389
Depreciation on Fixed Assets	36,838	33,881
Transfers to :		
— Capital Funds for cost of Assets purchased	22,554	1,22,757
— Gratuity Reserve	12,884	15,475
— Contingency Reserve	25,000	60,438
TOTAL	13,95,711	10,54,502
NET SURPLUS	18,421	23,979
Transferred to General Reserve	18,421	23,979

REFER TO SCHEDULE 'F' FOR NOTES

K. V. Viswanathan
Accountant

R. J. Chelliah
Director

D. T. Lakdawala
Chairman

Place : New Delhi
Dated : 12th June 1979

As per our report of even date
For Sood Brij & Associates
Chartered Accountants
Brij Mohan Gupta
Partner

SCHEDULE 'A'

FUNDS

		As at 31st March	
		1979 Rs.	1978 Rs.
CAPITAL FUND			
As per last account	2,96,557		
Add :- Transfer from Building Fund for cost of Land	6,05,392		
- Cost of Assets acquired during the year including out of Ford Foundation Grant	37,958	9,39,907	2,96,557
ENDOWMENT FUND			
As per last account	44,50,000		
Add : Received during the year	3,50,000		
	48,00,000		
Less : Transferred to Building Fund	1,50,000	46,50,000	44,50,000
LIFE MEMBERS FUND			
As per last account	80,000		
Add :- Transferred from General Reserve for instalment received during 1976-77	2,000		
- Received during the year	18,000	1,00,000	80,000
SCIENTIFIC RESEARCH FUND			
As per last account	4,38,750		
Add : Received during the year	30,000	4,68,750	4,38,750
BUILDING FUND			
Received from Government of India	3,00,000		
Transferred from Endowment Fund	1,50,000		
Ford Foundation Grant	1,63,800		
	6,13,800		
Less : Transfer to Capital Fund for cost of land	6,05,392	8,408	—
TOTAL		61,67,065	52,65,307

K. V. Viswanathan
Accountant

R. J. Chelliah
Director

D. T. Lakdawala
Chairman

As per our report of even date
For Sood Brij & Associates
Chartered Accountants
Brij Mohan Gupta
Partner

Place : New Delhi
Dated : 12th June 1979

SCHEDULE 'B'

RESERVES

		As at 31st March	
		1979 Rs.	1978 Rs.
GENERAL RESERVE			
As per last account	1,29,588		
Add : Surplus for the year	18,421		
	1,48,009		
Less : Transfer to Life Members Fund	2,000	1,46,009	1,29,588
CONTINGENCY RESERVE			
As per last account	50,000		
Add : Transfer from Income & Expenditure Statement	25,000	75,000	50,000
GRATUITY RESERVE			
As per last account	15,475		
Provided for the year	12,884	28,359	15,475
TOTAL		2,49,368	1,95,063

K. V. Viswanathan
Accountant

R. J. Chelliah
Director

D. T. Lakdawala
Chairman

As per our report of even date
For Sood Brij & Associates
Chartered Accountants
Brij Mohan Gupta
Partner

Place : New Delhi
Dated : 12th June, 1979

SCHEDULE 'C'

FIXED ASSETS AS AT 31st MARCH 1979

Description	GROSS BLOCK AT COST			DEPRECIATION			W.D.V. as at 31st March	
	As at 1st April 1978	Additions during the year	As at 31st March 1979	As at 31st March 1978	For the year	Total	1979	1978
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Leasehold Land	—	6,05,392	6,05,392	—	—	—	6,05,392	—
Furniture & Fixture	1,80,115	15,847	1,95,962	28,506	19,151	47,657	1,48,305	1,51,609
Office Equipment	85,367	22,111	1,07,478	16,046	13,715	29,761	77,717	69,321
Vehicles	29,977	—	29,977	10,792	3,837	14,629	15,348	19,185
Library Books	1,098	—	1,098	200	135	335	763	898
TOTAL	2,96,557	6,43,350	9,39,907	55,544	36,838	92,382	8,47,525	2,41,013
Building Work-in-Progress							3,203	—
TOTAL							8,50,728	2,41,013

K. V. Viswanathan
Accountant

R. J. Chelliah
Director

D. T. Lakdawala
Chairman

As per our report of even date
For Sood Brij & Associates
Chartered Accountants
Brij Mohan Gupta
Partner

Place : New Delhi
Dated : 12th June 1979

SCHEDULE 'D'

As at 31st March
1979 1978
Rs. Rs.

INVESTMENTS
(In Fixed Deposits)

	Public Sector Banks	Public Limited Companies		
Endowment Fund	41,50,000 (39,50,000)	5,00,000 (5,00,000)	46,50,000	44,50,000
Scientific Research Fund	4,60,000 (3,85,000)	— —	4,60,000	3,85,000
Others	1,50,000 (1,85,000)	— —	1,50,000	1,85,000
TOTAL			52,60,000	50,20,000

K. V. Viswanathan
Accountant

R. J. Chelliah
Director

D. T. Lakdawala
Chairman

As per our report of even date
For Sood Brij & Associates
Chartered Accountants
Brij Mohan Gupta
Partner

CURRENT ASSETS

SCHEDULE 'E'

	As at 31st, March	
	1979 Rs.	1978 Rs.
CASH AND BANK BALANCES		
Cash on Hand	150	580
Postage Imprest	54	7
In Current Accounts with Banks	3,66,631	2,58,955
In Amrican Express, New York (Equivalent Indian Rupees)	3,33,895	7,00,730
ADVANCES AND DEPOSITS		
Prepaid Expenses	20,264	13,378
Security Deposit	547	547
Interest accrued on Investments	36,358	9,006
Staff Imprest	900	—
Leave Travel Concession Advance	1,096	—
Expenses Recoverable	7,174	66,339
TOTAL	7,67,069	2,82,473

K. V. Viswanathan
Accountant

R. J. Chelliah
Director

D. T. Lakdawala
Chairman

As per our report of even date
For Sood Brij & Associates
Chartered Accountants
Brij Mohan Gupta
Partner

Place : New Delhi
Dated : 12th June 1979

SCHEDULE 'F'

Notes Annexed to and forming Part of Statement of Financial Position
as at 31st March, 1979 and Statement of Income and Expenditure
for the year ended on that date

1. The Contingency Reserve does not represent any specific liability.
2. **FORD FOUNDATION GRANT :**

The Institute was sanctioned a total non-recurring grant of 2,00,000 U. S. Dollars by Ford Foundation out of which the following amounts were received during the year :

	Received	Utilised	Balance as at 31-3-1979
IN RUPEE ACCOUNT			
—U. S. Dollar	29,200	23,528	\$ 5,672
—Rupee equivalent	2,38,794	1,92,408	Rs. 46,386
IN U. S. DOLLAR ACCOUNT			
—U. S. Dollar	50,000	7,963	\$ 42,037
—Rupee equivalent	3,97,140	63,246	Rs. 3,33,894

The receipt, utilisation and balance in the U. S. Dollar Account have all been converted into Rupee equivalents at U. S. \$ 12.59 = Rs. 100/-, the rate that prevailed on September 29, 1978, the date of credit received into the U. S. Dollar Account of the Institute.

3. The Fixed Assets as at 31st March 1979 include leasehold land valued at Rs. 6,05,392 acquired from Delhi Development Authority during the year, for which the lease deed has to be executed in favour of the Institute.
4. The stock of Institute's publications valued at cost amounted to Rs. 7,536 as at the close of the year. The value of same has not been considered in the books of accounts.
5. The purchase of books and periodicals as appearing in the Income and Expenditure Statement for the year includes remittances amounting to Rs. 13,702 against which the books and periodicals are in transit.

K. V. Viswanathan
Accountant

R. J. Chelliah
Director

D. T. Lakdawala
Chairman

As per our report of even date
For Sood Brij & Associates
Chartered Accountants
Brij Mohan Gupta
Partner

Place : New Delhi
Dated : 12th June 1979