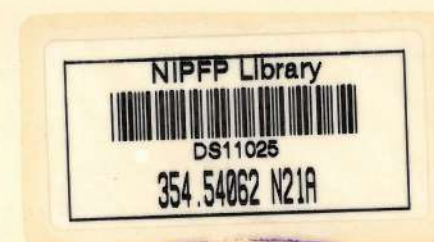


ANNUAL REPORT  
For the year 1982-83

36



**NATIONAL INSTITUTE OF PUBLIC  
FINANCE AND POLICY**

18/2 SATSANG VIHAR MARG, SPECIAL INSTITUTIONAL AREA  
NEW DELHI-110 0 67

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## **Report of the Governing Body of the National Institute of Public Finance and Policy for the year 1982-83**

### **Overview**

The Institute began its seventh year of operation on June 1, 1982. During the year 1982-83, the steady growth and expansion of the Institute's research and training functions were facilitated considerably by its spacious new building complex, including a hostel, which had been inaugurated on April 7, 1982. Moving into its own building marked an important stage in the history of the Institute. This year witnessed the successful completion of a number of important projects; appreciable attendance and participation in its training programmes; and an increase in staff strength at both professional and administrative levels. The Institute continued to carry out consultancy and operational work (research and advisory) to foreign governments and international agencies. Further progress has been made in research programmes and, in continuation of its training programme, the Institute arranged two advanced training courses in sales tax administration in India for senior officers of the Commercial Tax Departments of the State Governments, a course on the economics of income taxation for Assistant Commissioners of Income Tax, and another course on Housing Management for the clients of Housing and Urban Development Corporation.

As on April 30, 1983, the Institute had on its rolls 32 professional staff members, including the Director. The list of faculty members and other senior staff members is given in Annexure I. In addition there were temporary Research Investigators attached to various projects. During the year, the Institute acquired the services of, among others, Dr. Shankar Acharya, formerly Research Adviser at the World Bank, Washington D.C., USA, who joined duty as Senior Fellow on August 9, 1982. Dr. Amaresh Bagchi, Director, Fiscal Policy Section, Ministry of Finance, has been on deputation to the Institute as RBI Professor since June 1980. His term was extended for two years with effect from June 1982. Mr. K. Srinivasn, formerly Member of the Central Board of Direct Taxes, continued to work with us as Senior Tax Consultant. The Institute also benefited from the services of Mr. P.D. Kapoor, Assistant Collector, Customs and Central Excise Department, in a project on excise duty evasion. Two of our staff members, namely, Dr. M. Govinda Rao, Senior Economist and Mr. J.V.M. Sarma, Economist, resumed duty at the Institute after receiving training for one academic year, under the supplementary Ford Foundation grant for research and training in public finance, at the University of Maryland and Yale University, USA. Dr. Rao was away in Pakistan and Washington D.C. in March-April 1983 as member of a World Bank team studying domestic resource mobilisation in Pakistan. It may be mentioned that most faculty members of the Institute (other than research assistants) have received advanced training abroad in the areas of their specialisation. The Institute intends to send some more of the professional staff for training abroad in due course.

On his appointment as Member of the Economic Administration Reforms Commission on May 23, 1982, Dr. R.J. Chelliah, Director of the Institute, proceeded on leave from the Institute for the period of his appointment. The day-to-day work of the Institute is being looked after by Dr. Bagchi,



who was designated Professor-in-Charge. As mentioned in last year's Report, Dr. Chelliah has been elected Vice-Chairman of the Governing Body of the Institute and exercises overall supervision over the work of the Institute in an honorary capacity.

Dr. Amaresh Bagchi visited Bangkok in September 1982 to present the Institute's report on "Integration of Tax Planning with Development Planning" to a regional seminar organised by the UN-Economic Commission on Asia and the Pacific (ESCAP). It may be recalled that ESCAP had entrusted the project to the Institute after Dr. Chelliah's visit to Bangkok in July 1981 to advise the staff of the Development Planning Division of ESCAP. Dr. Bagchi also rendered assistance to ESCAP in the documentation of papers on Integration of Tax Planning Project and servicing of the Expert Group Meeting.

Dr. Vinay D. Lall, Senior Fellow, attended a Special Programme on "Management of Development—Human Settlement and Housing" conducted by the Indian Institute of Management, Bangalore, and held at Ooty from September 7 to 11, 1982. Dr. Lall also participated in an international seminar on "Small Cities and National Development" organised by the UN Centre for Regional Development (Nagoya, Japan) in New Delhi from January 24 to 29, 1983.

Dr. K.N. Reddy, Senior Fellow, chaired a session in a seminar on "Fiscal Readjustment and Finance Commission", organised by the Department of Economics of Lucknow University on February 6, 1983. Dr. M. Govinda Rao, Senior Economist, also participated in this seminar.

Mr. Srinivasa Madhur, Senior Economist, gave a seminar on "A Model of the Indian Monetary Sector" at the Indian Statistical Institute (ISI) on November 12, 1982.

As during the preceding year, some senior staff members of the Institute served on various committees set up by both the Central and State Governments.

Dr. A. Bagchi served as Member, Taxation Review Committee, Karnataka; Member, Study Group on Financing of the Private Corporate Sector in the Sixth Five Year Plan; and Member, Working Group on Resource Mobilisation of the Railway Reforms Committee.

Mr. K. Srinivasan, Senior Consultant, served on the Taxation Committee of FICCI, while Dr. K.N. Reddy, Senior Fellow, was a Member, Taxation Review Committee, Karnataka.

Dr. Shankar Acharya, Senior Fellow, has been Member, Task Force on Financing of Urban Development, set up by the Planning Commission, since February 1983.

#### Research Activities and Consultancy Work

During the seventh year of functioning of the Institute, its services continued to be extensively utilised by the Central Government, State Governments, international agencies and private organisations. The Institute also undertook research work on its own in some important areas and completed several projects.

##### a. Projects completed or nearing completion

As stated earlier, UN-ESCAP had given a consultancy to the Institute to prepare an Indian country study as well as a regional study in relation to their project on Integration of Tax Planning into Development Planning in the countries of the ESCAP region. The studies were intended to cover three major aspects of the subject: (i) harmonisation of taxation with development planning object-

ives, strategies and policies; (ii) integration of taxation into development planning techniques, and (iii) coordination between tax administration and development planning administration. All the country studies, including those of Sri Lanka, Bangladesh, the Philippines, Korea, Thailand and India, as well as the regional paper prepared by the Institute, were completed and subsequently discussed at an Expert Group Meeting organised by ESCAP at Bangkok in September 1982. Dr. A. Bagchi, who was in charge of the project at the Institute and also author of the regional paper, participated in the Expert Group Meeting. Mr. Srinivasa Madhur, Senior Economist, prepared the paper on Integration of Taxation with Development Planning Techniques in India for the ESCAP project. We also got a paper prepared by Dr. D.R. Gupta, Adviser, Planning Commission, on Coordination between Taxation and Development Planning Agencies: The Case of India.

The Economic Administration Reforms Commission had given two projects to the Institute: (i) Formulation of a Management Information System for Personal Income and Wealth Taxes and (ii) Reform of Estate Duty and Gift Tax. The Interim Report and Draft of the Final Report on the latter project have been submitted.

The study of Tax Reforms in Bhutan, entrusted to the Institute by the Royal Government of Bhutan, was completed in December 1982. The final report is to be submitted to the sponsoring government in May 1983<sup>1</sup>.

The project on Tax Treatment of Trusts, sponsored by the Institute, has been completed and the Institute will shortly take up the report on private trusts for publication.

The Times Research Foundation had sponsored a project on the Economics of Housing in India, intended to be a pilot study which could throw light on various aspects of the economics of housing in India, viz., types, pattern and cost of housing, sources of financing, characteristics of house-builders and the role of financial institutions. The study was completed in September 1982 and submitted to the sponsoring institution.

The project on the Economic Impact of Corporate Profits Taxation, sponsored by the Institute, is nearing completion. As part of this project, a Report on Tax Saving Effects of Fiscal Incentives under the Indian Corporate Profits Tax System has been published by the Institute under the title *Fiscal Incentives and Corporate Tax Saving*.

As before, the Institute has been doing considerable work on behalf of State Governments.

The Government of Tamil Nadu had entrusted the Institute with a study of Information System and Evasion of Sales Tax in Tamil Nadu. The Final Report of this study was submitted to the Government of Tamil Nadu in December 1982.

The project on Evasion of Excise Duty in respect of selected commodities, sponsored by the Central Board of Excise and Customs, Ministry of Finance, has made further progress. While a report on Evasion of Excise Duty in respect of Copper has already been submitted, the report on Plastics is also now complete and awaiting final revision.

At the initiation of the Government of Gujarat, a study of the implications of introducing an Entry Tax in the State in place of Octroi was undertaken. The Report, on the study entitled Base and Rate Structure of Proposed Entry Tax in Gujarat, was submitted to the Government of Gujarat in February 1983.

<sup>1</sup> This was submitted in June 1983.



Two projects sponsored by the Eighth Finance Commission are nearing completion. These are: "Relative Taxable Capacity and Tax Effort in Indian States" and "Forecasting Subsidies of the Central Government".

Another project completed during the year was Review of Direct Tax System in India, undertaken on behalf of the India Office of the World Bank.

#### b. Projects under progress and new projects

The Institute has undertaken a project on Inflation and the Taxation of Capital Income in the Corporate Sector, sponsored by the Industrial Credit and Investment Corporation of India Ltd. (ICICI). The major objective of this study is to identify the various channels through which inflation affects the burden of taxation of capital income of the corporate sector and to measure the effects of inflation on the taxation of capital used in the non-financial corporate sector of the Indian economy. The project will be completed by the end of 1983.

The Central Board of Direct Taxes, Ministry of Finance, Government of India, has entrusted the Institute with a project on Estimating the Extent of Unaccounted Income and Wealth in the country. After the tentative terms of reference and estimated cost of undertaking the study were approved by the Board, work on the project started in early September 1982.

The Government of Gujarat has entrusted the Institute with a project on the formulation of a comprehensive Information System for State taxes. The project is likely to be completed by the end of 1983.

The Delhi Administration has entrusted the Institute with a comprehensive study of Sales Tax, Property Tax and Octroi in the Union Territory of Delhi. The project has wide terms of reference and work on it is proceeding satisfactorily.

We have made satisfactory progress on the studies undertaken on behalf of the Indian Council for Research on International Economic Relations (ICRIER). The work on one of the projects, namely, An Overall Review of Domestic Resource Mobilisation, is likely to be completed by the end of June 1983. On completion, two project reports would be submitted: (a) Impact of Taxation on Household Savings and (b) Impact of Taxation on Corporate Savings Behaviour. The work on the second project, namely, the Indian Exchange Rate Policies and External Payment System will take some more time to complete.

The NIPFP-sponsored projects on which work has been proceeding satisfactorily are: (i) Tax Treatment of Public Trusts and (ii) Evaluation of Tax Incentives for Charitable Contributions: A Case Study the Corporate Sector in India.

The titles of projects already completed, of on-going projects and of the projects proposed to be undertaken by the Institute are contained in Annexure II.

#### Training Programmes

In pursuance of one of its major objectives of imparting advanced training to officials of the Central, State and local governments, the Institute continued its activities in this sphere and conducted four training programmes during the year. Two Advanced Training Courses in Sales Tax Administration were organised at the Institute for senior officers of the Commercial Tax Departments of the State Governments. While the first course was held in May 1982, the second was held in December of the same year.



Addressing the Course on Economics of Income Taxation



A speaker at the Advanced Training Course in Sales Tax Administration





Participants of the Course on Economics of Income Taxation

A course on the Economics of Income Taxation for Assistant Commissioners of Income Tax drawn from various States was held in December 1982. It may be recalled that a trial course on the Economics of Income Taxation, held in June 1981 at the request of the Central Board of Direct Taxes, had proved both useful and popular. This year too this course was widely appreciated.

During April 1983 the Institute organised a three-day residential training programme on "Housing Management". This programme was sponsored by the All India Housing Development Association, New Delhi, and participants were drawn from clients of the Housing and Urban Development Corporation (HUDCO). Dr. V.D. Lall was responsible for organising this course.

It is hoped that the Institute will continue to devise further useful additions to the list of courses offered, especially in view of the keen interest shown by State governments in possible future courses related to, among other aspects, budgetary techniques, property taxation, passengers and goods taxes, entertainment tax and octroi.

The Institute has been considering the possibility of introducing a new course on Introduction to Economic Analysis and Policy for the benefit of officers in Governments, public enterprises and banks, who have no background in economics but who have to deal with economic matters. It is hoped that action in this regard can be initiated soon.

It must be mentioned that with the commissioning of the Institute's hostel, now fully furnished and with boarding facilities, participants of the residential courses run by the Institute have been able to make better use of the Institute's rapidly expanding library, besides the pleasant and quiet environs suited to academic pursuits.

#### Visiting Professors and Scholars

As in past years, this year too the Institute staff had the pleasure of having with them a number of academicians and practising economists, from India as well as abroad.

Professor A.R. Prest of the London School of Economics and Political Science was among the distinguished visitors to the Institute during the year. Professor Prest gave an interesting seminar on "Capital Taxation" at the Institute on December 21, 1982. In the evening there was a largely attended reception in honour of Professor and Mrs. Prest in the quadrangle of the Institute.

On January 28, 1983, the Institute welcomed another distinguished economist, Dr. Surjit S. Bhalla of the Development Research Department of the World Bank, Washington D.C. Dr. Bhalla spoke on Income Distribution in India : A Re-examination, an address which resulted in lively discussions with the visiting economist on various related issues.

Dr. Deepak Lal, Reader in Political Economy at the University College, London, conducted for the Institute's faculty a two-week lecture course (March 21—April 2, 1983) on "The New Macroeconomics and Developing Countries". The Institute's faculty members found their informal exchange of views and opinions with Dr. Lal especially stimulating. Dr. Shankar Acharya was responsible for organising this course.

Another distinguished guest was Prof. Gustav Papanek, of the Department of Economics, Boston University. He spoke on Development Strategy, Growth and Equity : Populist and Growth-Oriented Governments in Southern Asia. The seminar discussions which followed were both interesting and useful.

The programme of seminars and lectures by visiting scholars and the Institute's own staff was



continued. However, during 1982-83 the stress was on seminars by visiting scholars and economists, as indicated in Annexure III.

### Computer

As stated in last year's Report, the Institute acquired a mini-computer—HCL System-4—to enable it to carry out vital support functions for its various projects. The computer is capable of carrying out various statistical applications and attempts are already being made to optimise computer time and functions. The Institute is also planning to create a data bank where data relating to public finance and other related economic variables will be stored.

### Library

Keeping in view the growing needs of the Institute staff for books and publications in the area of public finance and fiscal policy, the library is making steady progress in increasing its holdings. During the year, more than a thousand volumes of books, reports and other publications were procured and added to the stock of the library. Our total holding of books and publications now amounts to more than 6000 volumes. Back numbers of some important journals on public finance have also been procured and added to the library stock. As of now, 91 periodicals, including loose-leaf series, are being received. Books, reports, reprints and mimeographed papers are being received from prominent institutions in India and abroad under our exchange programme. (For list of journals, see Annexure IV).

As usual, this year too several research scholars from various universities/institutions visited our library in connection with their research work. Their names and addresses of their affiliate institutions are given in Annexure V.

### Lectures by Staff Members

Several of our faculty members were invited to give lectures at various institutions. These institutions include: Indian Institute of Public Administration, Economic and Scientific Research Foundation of the Federation of Indian Chambers of Commerce and Industry, Industrial Finance Corporation of India, National Institute of Educational Planning and Administration, Indian Statistical Institute, Management Development Institute, Delhi Productivity Council and India International Centre.

Details of lectures given are contained in Annexure VI.

### Institute's Publications

#### a. Publications

Two of the Institute's studies have been published during the year. These are: (i) *Measurement of Tax Effort of State Governments, 1973-76*, published by Somaiya Publications, Bombay, in July 1982. This study had been sponsored by the International Bank for Reconstruction and Development (IBRD), Washington D.C. (ii) *Fiscal Incentives and Corporate Tax Saving*, published by NIPFP, March 1983. This study was undertaken by the Institute as part of an overall study of the theoretical and quantitative aspects of corporate profits tax.

#### b. Papers by Staff Members

A number of papers were prepared by the Staff members in the form of working papers,

conference papers, research papers and articles contributed to journals and newspapers. Details of papers and articles brought out during the year are given in Annexure VII.

### Corporate Membership

As on March 31, 1983, the Institute had 15 Sponsoring Corporate Members, 6 Life Corporate Members and 15 Ordinary Corporate Members. The list of members is contained in Annexure VIII.

### Composition of the Governing Body

Certain changes have taken place in the composition of the Governing Body of the Institute during the year 1982-83.

Mr. M. Narasimham, who took charge from Mr. R.N. Malhotra as Secretary (Economic Affairs), Ministry of Finance, is now on the Governing Body. Dr. Manmohan Singh, on his appointment as Governor, Reserve Bank of India, has been replaced by Mr. K.V. Ramanathan, Secretary, Planning Commission. Three nominees of the Sponsoring State Governments serve on the Governing Body in rotation bi-annually. Accordingly, the State Governments of Maharashtra, Assam and Kerala were represented on the Governing Body. On the expiry of their terms, the nominees of Governments of Orissa, Gujarat and Tamil Nadu were co-opted for a term of two years. Mr. N.J. Jhaveri, Group Manager, Economic and Market Research, ICICI, has been nominated to represent ICICI *vice* Mr. S. Kumarasundaram. On his election as President, ASSOCHAM, Mr. Raunaq Singh, replaced former ASSOCHAM President Mr. A. Sivasailam on the Governing Body. The new FICCI President, Dr. D.K. Devarajulu took over on the Governing Body from out-going President, Mr. Arvind N. Lalbhai.

The List of the Members of the Governing Body is given as Annexure IX.

### Institute's Building Complex

The Institute's building complex and hostel have become fully functional within a short period after the inauguration of the complex in April 1982. Canteen facilities are available to both staff members and hostel guests. We also accommodate Visiting Scholars and occasionally participants of courses run by certain sister institutions.

### Ford Foundation Supplementary Grant

The Ford Foundation sanctioned a supplementary grant of US \$ 245,000 to the Institute in September 1980 with the approval of the Government of India. As on March 31, 1983, the Institute had received US \$ 215,000 out of the grant and had utilised the equivalent of US \$ 174,991. A detailed break-up of the utilisation of the grant is given in Schedule 'G' attached to the Annual Accounts of the Institute.

For and on behalf of the Governing Body

I.Z. Bhatt  
Member

Place : New Delhi  
Dated : 15 July 1983

R.J. Chelliah  
Member-Secretary

D.T. Lakdawala  
Chairman



# ANNEXURE 1

## List of Professional Staff Members

S.No.	Name	Qualification	Designation
1.	R J Chelliah	M.A., Ph.D.	Director (on leave)
2.	K Srinivasan	B.A. (Hons.)	Sr. Consultant
3.	A Bagchi	M.A., Ph.D.	Sr. Fellow
4.	V D Lall	M.A., Ph.D.	Sr. Fellow
5.	K N Reddy	M.A. (Hons.) Ph.D.	Sr. Fellow
6.	Shankar N Acharya	M.A., Ph.D.	Sr. Fellow
7.	V G Rao	M.A., Ph.D.	Visiting Fellow
8.	M C Purohit	M.A., Ph.D.	Fellow (on leave)
9.	Shyam Nath	M.A., Ph.D.	Sr. Economist
10.	Narain Sinha	M.Sc., M.A., Ph.D.	Sr. Economist (on leave)
11.	M Govinda Rao	M.A., Ph.D.	Sr. Economist
12.	M Srinivasa	M.A.	Sr. Economist
13.	R L Chawla	M.A., Ph.D.	Sr. Economist
14.	J V M Sarma	M.A.	Econometrician
15.	Pawan K Aggarwal	M.Sc.	Economist
16.	S P Chaudhury	M.A.	Consultant
17.	Arun Kumar	M.Sc., M.S.	Consultant
18.	Arvind K Gupta	M.A., Ph.D.	Consultant
19.	L N Rastogi	M.A.	Consultant
20.	Banwari Lal Sud	M.A., LI.B.	Consultant
21.	K K Atri	M.A.	Econometrician
22.	V S Renganathan	M.A., Ph.D.	Economist (Publication)
23.	Tapas Kumar Sen	M.A., Ph.D.	Economist
24.	Christopher Cecil	M.A.	Editor
25.	A K Halen	M.A.	Computer Programmer
26.	Vijaya Khari	M.A.	Research Assistant

# ANNEXURE I (Contd.)

S.No.	Name	Qualification	Designation
27.	S Gopalakrishnan	M.A.	Research Assistant (on leave)
28.	Sujata Dutta	M.A.	Research Assistant
29.	O P Bohra	M.A.	Research Assistant
30.	Gautam Naresh	M.A. (Econ.) M.A. (Eng.)	Research Assistant
31.	Diwan Chand	M.A.	Research Assistant
32.	Gita Bhatnagar	M.A. (Econ.)	Assistant (Computer Operation)
Senior Administrative and Library Staff			
33.	J K Jain	B.A. (Com.)	Administrative Officer
34.	H K Paruthi	M.A., B.Lib.Sc.	Librarian
35.	S C Tandon	B.A., PGDIBM DIIM (London)	Special Assistant to the Director (Incharge—Training and Production)



## ANNEXURE II

### List of Studies and Working Papers

#### 1. Studies Already Completed

1. Trends, Composition and Elasticity of Union Excise and Import Duties (P B Nayak and K K Atri) August 1977—Mimeo
2. Buoyancy and Elasticity of State Indirect Taxes 1960-61 to 1974-75 (R J Chelliah and Shyam Nath) December 1977—Mimeo
3. Incidence of Indirect Taxation in India 1973-74 (R J Chelliah and Ram N Lal) Published NIPFP (1978) Rs 10.00  
Rs 20.00 Hindi Version NIPFP (1981)
4. The Impact of the Personal Income Tax (Anupam Gupta with Contributions by Pawan K Aggarwal) May 1978—Mimeo  
Published NIPFP (1982) Rs. 35.00
- +5. Major Issues in Indian Federal Finance (A staff team) Title: Trends and Issues in Indian Federal Finance 1978 Mimeo. Allied Publishers, New Delhi—1980, Rs 60.00
- +6. A Survey of the Tax System in Assam (A staff team consisting of R J Chelliah, M C Purohit, Shyam Nath and S Shinde) December 1978 (Report submitted to the Government of Assam), Mimeo
7. Measurement of Tax Effort of State Governments 1973-76 (R J Chelliah and Narain Sinha) December 1979—(Study presented to the World Bank) Somaiya Publications, Bombay, 1982, Rs 60.00
- +8. Rationalisation of the Sales Tax System in Bihar (R J Chelliah and M C Purohit) Published—Sales Tax System in Bihar 1979 (Report submitted to the Government of Bihar) Somaiya Publications, Bombay—1981, Rs 80.0
9. Resource Mobilisation in the Private Corporate Sector (Vinay D Lall, Srinivasa Madhur and K K Atri) April 1980 (Report submitted to ASSOCHAM, New Delhi). Published NIPFP 1982 Rs 50.00

## ANNEXURE II (Contd.)

- +10. Tax Avoidance and Evasion in the Smaller Business and Professional Cases—The Indian Experience (K Srinivasan) June 1980—Mimeo
- +11. Incidence of State Taxes in Gujarat—1977-78 (M Govinda Rao) 1980 (Report submitted to the Government of Gujarat)
12. Report on the Entertainment Tax, the Passengers and Goods Tax and the Electricity Duty in Bihar (R J Chelliah and M Govinda Rao) 1981—Mimeo  
(Report submitted to the Government of Bihar)
13. Central Government Expenditure—Growth, Structure and Impact (1950-51 to 1977-78) (K N Reddy, J V M Sarma and Narain Sinha) November 1981, Mimeo  
(Report submitted to the Planning Commission)
14. Property Tax Reform in West Bengal (Amaresh Bagchi and Shyam Nath) January 1982—Mimeo  
(Report submitted to the West Bengal Municipal Finance Commission, Calcutta)
- +15. The Income Responsiveness of State Taxes in Maharashtra (Srinivasa Madhur and Tapas Kumar Sen) February 1982 (Report submitted to the Government of Maharashtra)
- +16. Tax Saving Effect of Fiscal Incentives under the Indian Corporate Profits Tax System, Published—Fiscal Incentives and Corporate Tax Saving (Vinay D Lall) May 1982, Published NIPFP, March 1983
17. Integration of Tax Planning into Development Planning—The Indian Experience (Amaresh Bagchi)
18. Integration of Taxation with Development Planning Techniques in India (Srinivasa Madhur)
19. Co-ordination between Taxation and Development Planning Agencies: The Case of India (D R Gupta, Planning Commission, on behalf of NIPFP)
- +20. The Integration of Tax Planning into Development Planning in the Developing ESCAP Countries: Regional Issues (Amaresh Bagchi) Prepared for ESCAP Bangkok June 1982
21. Some Aspects of Economics of Housing in India (Vinay D Lall) Prepared for ESCAP Bangkok August 1982
- September 1982 (Study prepared for the Times Research Foundation, Bombay)



## ANNEXURE II (Contd.)

- |       |   |  |
|-------|---|--|
| 22.   | Information System and Evasion of Sales Tax in Tamil Nadu<br>(R J Chelliah and M C Purohit) | December 1982 (Report submitted to the Government of Tamil Nadu)                 |
| X 23. | Tax Reform in Bhutan (Final Report) R J Chelliah, K Srinivasan and M C Purohit              | May 1983 (Submitted to Government of Bhutan)                                     |
| X 24. | Evasion of Excise Duty: Case Study of Copper<br>(D K Srivastava)                            | May 1982 (Submitted to Central Board of Excise and Customs, Ministry of Finance) |
| X 25. | The Base and Rate Structure of Proposed Entry Tax in Gujarat<br>(M G Rao)                   | February 1983 (Submitted to Government of Gujarat)                               |
| 26.   | Tax Treatment of Private Trusts<br>(K Srinivasan)   | Completed May 1983   |

## Working Papers

- |    |  |   |
|----|--|---|
| a. | Trends, Buoyancy and Elasticity of Corporate Profits Taxation (Vinay D Lall, Econometric Computation by J V M Sarma)   | 1978—Mimeo  |
| b. | Testing of the "Displacement Effect" Associated with "Non-Global" Social Disturbance in India<br>(P Nagarajan)         | 1978—Mimeo  |
| c. | The Budget, Money-Supply and Inflation<br>(Srinivasa Madhur)   | 1979—Mimeo  |
| d. | Financing of Capital Formation in the Government Sector in India, 1950-51 to 1975-76<br>(K K Atri and Ranjana Ghoshal) | 1979—Mimeo  |
| e. | The Case for an Expenditure Tax<br>(R J Chelliah)  | 1980—Mimeo (Published in E.P.W. January 26, 1980)                       |
| f. | Methods of Estimating Income Elasticity of Taxes<br>(J V M Sarma)  | 1980—Mimeo  |
| g. | Reform of the Sales Tax<br>(R J Chelliah)  | 1980—Mimeo (Published in The Economic Times, September 11 and 12, 1980) |
| h. | The Bearer Bonds—A Retrospect<br>(Amaresh Bagchi)  | 1981—Mimeo (Published in the Economic Times—June 14-15, 1981)           |

## ANNEXURE II (Contd.)

- |      |  |                     |
|------|--|---------------------|
| 1.   | Deceleration in Industrial Growth Since the Mid-Sixties : An Empirical Documentation<br>(Isher J Ahluwalia)          | August, 1982—Mimeo  |
| 1.   | Impact of Standard Rent on Property Tax Base—An Empirical Analysis<br>(Shyam Nath)                                   | October, 1982—Mimeo |
| 2 k. | Informal Trade Markets and Black Money : Do they Frustrate Monetary Policy ?<br>(Shankar Acharya & Srinivasa Madhur) | March, 1983         |

## On-Going Projects

1. Economic Impact of Corporate Profits Taxation
2. Housing Finance
3. Designing of an Information System for Gujarat State Taxes
4. An In-depth Study of Sales Tax, Property Tax and Octroi in the Union Territory of Delhi
5. The Black Economy in India
6. Impact of Incentive Provisions for Charitable Contributions under the Income Tax Act
7. An Overall View of Domestic Resource Mobilisation with Policy Recommendations for the Future (ICRIER)
8. Indian Exchange Rate Policies and External Payments System (ICRIER)
9. Corporate Saving Behaviour (ICRIER)
10. Inflation and Taxation of Capital Income in the Corporate Sector (ICICI)
11. Forecasting Subsidies of the Central Government (8th Finance Commission)
12. Relative Taxable Capacity and Tax Effort in Indian States (8th Finance Commission)
13. Taxation of Public Trusts

## Projects Proposed to be Undertaken

1. Study of Commercial Taxes in West Bengal
2. Study of the Entertainment Tax, the Motor Vehicles Tax and the Passengers and Goods Tax in Punjab
3. Impact of Incentive Provisions under the Income Tax Act  
Efficiency and Economy in Public Expenditure



## SEMINARS HELD AT THE INSTITUTE DURING 1982-83

Sl. No.	Speaker	Institutional affiliation	Topic	Date
1.	Dr Amal Sanyal	Centre for Economic Studies and Planning, Jawaharlal Nehru University, Delhi	Indivisibility and asset choice with special reference to the growth of time deposits in India	July 3, 1982
2.	Dr Montek Ahluwalia	Economic Adviser, Ministry of Finance, Government of India	India's balance of payment problems	July 31, 1982
3.	Dr I S Gulati	Centre for Development Studies, Trivandrum	IMF conditionality and low income countries	August 3, 1982
4.	Prof A R Prest	Professor of Economics, London School of Economics and Political Science, U K	Capital taxation	December 21, 1982
5.	Dr Surjit S Bhalla	Development Research Department, World Bank	Income distribution in India: a re-examination	January 28, 1983
6.	Dr Damodar N Gujarati	Professor of Economics and Finance, Bernard Baruch College, City University of New York	The new macroeconomics: rational expectations revolution and its implications for government economic policies	January 20, 1983
7.	Dr Ashok Lahiri	Delhi School of Economics, Delhi	Rational expectations and neutrality propositions	February 4, 1983
8.	Prof Pramit Chaudhury	Indian Statistical Institute	The role of the public sector in economic development	March 21, 1983
9.	Dr Deepak Lal	Reader in Political Economy, University College, London, UK	The new macro-economics and developing countries	March 21-April 2, 1983

## List of Journals being received at the Institute Library

## INDIAN

1. Anvesak ( $\frac{1}{2}$  Yly)
2. Artha Vijnana (Q)
3. Assocham Bulletin (M)
4. Business India (F-N)
5. Chartered Accountant (M)
6. Commerce (W)
7. Company News and Notes (M)
8. Economic and Political Weekly (W)
9. ICSSR Newsletter (Q)
10. Income Tax Reports (W)
11. Indian Dissertation Abstracts (Q)
12. Indian Economic Journal (Q)
13. Indian Economic Review (Q)
14. Indian Journal of Public Administration (Q)
15. Journal of Abstracts and Reviews : Economics (Q)
16. Journal of Income and Wealth ( $\frac{1}{2}$  Yly)
17. Lok Udyog (M)
18. Mainstream (W)
19. Management-in-Government (Q)
20. Margin (Q)
21. MDI Quarterly (Q)
22. Monthly Abstract of Statistics (M)
23. Nagarlok (Q)
24. Prajnan (Q)
25. Quarterly Bulletin of Economics and Statistics, Gujarat (Q)
26. Reserve Bank of India Bulletin (M)
27. Reserve Bank Staff Occasional Papers ( $\frac{1}{2}$  Yly)
28. Sales Tax Cases (F-N)
29. State Bank of India Monthly Review (M)
30. Sankhya (Q)
31. Sarvekshana (Q)



32. Seminar (M)
33. Social Scientist (M)
34. State Enterprise (Q)
35. Taxman (M)
36. Yojana (F-N)
37. Stock Exchange Official Directory (Weekly Replacement Service)

## FOREIGN

38. ADIPA Newsletter ( $\frac{1}{2}$  Yly)
39. American Economic Review (Q)
40. British Tax Review (2-M)
41. Brookings Bulletin (Q)
42. Bulletin for International Fiscal Documentation (M)
43. Canadian Journal of Economics (Q)
44. Canadian Tax Journal (2-M)
45. Developing Economics (Q)
46. Economic Impact (Q)
47. Economic Journal (Q)
48. Economics ( $\frac{1}{2}$  Yly)
49. Economist (W)
50. Euromoney (M)
51. Far Eastern Economic Review (W)
52. Finance and Development (Q)
53. IMF Staff Papers (4-M)
54. IMF Survey (F-N)
55. International Currency Review (2-M)
56. International Tax Journal (2-M)
57. Journal of Corporate Taxation (Q)
58. Journal of Economic Literature (Q)
59. Journal of Finance (Q)
60. Journal of Macroeconomics (Q)
61. Journal of Monetary Economics (Q)
62. Journal of Money Credit and Banking (Q)
63. Journal of Political Economy (2-M)
64. Journal of Public Economics (2-M)
65. Journal of Taxation (M)
66. Kredietbank Weekly Bulletin (W)
67. Kyklos (Q)

68. Lloyds Bank Review (Q)
69. Manchester School of Economic & Social Studies (Q)
70. National Tax Journal (Q)
71. National Westminster Bank Quarterly Review (Q)
72. Oxford Economic Papers (4-M)
73. Pakistan Development Review (Q)
74. Public Choice (Q)
75. Public Finance (Q)
76. Public Finance Quarterly (Q)
77. Quarterly Journal of Economics (Q)
78. Review of Economic Studies (Q)
79. Review of Economics & Statistics (Q)
80. Review of Income & Wealth (Q)
81. Tax Memo ( $\frac{1}{2}$  Yly)
82. Three Banks Review (Q)
83. African Tax System
84. Corporate Taxation in Latin America
85. Income Taxes Worldwide
86. Tax News Service
87. Taxation in European Socialist Countries
88. Taxation of Companies in Europe
89. Taxes and Investment in Asia and the Pacific
90. Taxes and Investment in the Middle East
91. 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 Research Scholars who visited the Institute's Library during 1982-83

S. No.	Name of scholar	University/Institute
1.	Mr A P Agarwal	Research Scholar, Meerut University, Meerut
2.	Dr J B Tilak	Associate Fellow, NIEPA, New Delhi
3.	Mr J K Hajeli	Research Scholar, Department of Economics, Allahabad University, Allahabad
4.	Mr R C Chawla	Punjab University, Chandigarh
5.	Dr C L Sharma	Plan Finance Unit, Department of Expenditure, Ministry of Finance, New Delhi
6.	Mr D Bhandari	Rajasthan University, Jaipur
7.	Mr M S Narula	Technical Officer, Planning Commission, New Delhi
8.	Mr P Prashaith	Research Scholar, Jawaharlal Nehru University, New Delhi
9.	Mr C Chandrasekhar Rao	Lecturer in Economics, S.V. University, Kavali, Andhra Pradesh
10.	Mrs Indumathi	Research Scholar, Madras University, Madras
11.	Mr Rezi Dungdung	Research Scholar, Jawaharlal Nehru University, New Delhi
12.	Mr Pramod Kumar	Research Scholar, Jawaharlal Nehru University, New Delhi
13.	Mrs Manorma Hukku	Lecturer, Jodhpur University, Jodhpur
14.	Mr Ram Deen	U.G.C. Teacher Fellow, Allahabad University, Allahabad
15.	Miss Nehru Singhal	Research Scholar, Allahabad University, Allahabad
16.	Mr Anant Lal Karr	Research Scholar, Faculty of Management Studies, Delhi University, Delhi
17.	Mr Shashi Prakash Sharma	Lecturer in Economics, Shyamlal College, Delhi University Delhi

# ANNEXURE VI

## Lectures Delivered by Staff Members 1982-83

S. No.	Name	Designation	Topic	Audience	Date & Place
1.	Dr A Bagchi	Senior Fellow	1. 5 Lectures on Various Aspects of Sales Tax Administration in the larger economic context 2. The Economic Concept of Income 3. Horizontal Equity in Indian Personal Income Tax 4. Tax Treatment of Capital Gains 5. The Concept of Income and Evaluation of the Income Tax Law 6. 3 Lectures on India's Tax Policy	Sales Tax Officers, Advanced Training Course in Sales Tax Administration Assistant Commissioners of Income Tax. Course on: Economics of Income Taxation — do — — do — Officers of Supreme Audit Institutions of Asia and Africa, at International Training Course held by Indian Audit and Accounts Department Faculty Members and Research Scholars, Delhi School of Economics	May 1982 NIPFP New Delhi December 6, 1982, NIPFP, New Delhi December 7, 1982, NIPFP, New Delhi December 10, 1982, NIPFP, New Delhi February 1983, New Delhi March 1983, Delhi School of Economics
2.	Dr V D Lall	Senior Fellow	1. An Outline of the Indian Tax System with Special Reference to Indirect Taxes	Sales Tax Officers, Advanced Training Course in Sales Tax Administration	September 13, 1982, NIPFP New Delhi



S No.	Name	Designation	Topic	Audience	Date & Place
			2. Incentives for Saving and Investment Under the Personal Income Tax		December 14, 1982, NIPFP, New Delhi
			3. Tax Incentives and Subsidies as Instruments of Government Policies : an Indian Experience of Corporate Taxation	Assistant Commissioners of Income Tax. Course on: Economics of Income Taxation	
			Also participated in/conducted group discussions on papers of participants at the course		
			4. Central Government Budget, 1983-84	Corporate Executives at Management Development Institute	March 5, 1983 New Delhi
			5. Personal and Corporate Taxes: Implications of the 1983-84 Budget	Delhi Productivity Council	March 8, 1983 New Delhi
			6. Some Issues in Housing Finance	Officers of State Housing and Developmental Institutions; Indian Institute of Public Administration	March 9, 1983 New Delhi
			7. Monetary and Fiscal Policies for Industrial Development	Industrialists and Corporate Executives; Economic and Scientific Research Foundation, FICCI	March 18, 1983 New Delhi
			8. Tax Incentives for Industrial Development	Officers of Industrial Finance Corporation of India	March 21, 1983 New Delhi
3.	Dr K N Reddy	Senior Fellow	1. Outline of the Indian Tax System with Special Reference to Indirect Taxes	Sales Tax Officers. Advanced Training Course in Sales Tax Administration	May 3, 1982 NIPFP, New Delhi

## ANNEXURE VI(Contd.)

S.No.	Name	Designation	Topic	Audience	Date & Place
			2. Effects of Indirect Taxes excluding Incidence	— do —	May 4, 1982, NIPFP, New Delhi
			3. Economic Effects of Sales Tax	— do —	May 5, 1982 NIPFP, New Delhi
			4. Effects of Sales Tax on Production and Growth	Department of Business Economics, Faculty of Commerce	Sept. 8, 1982 MS Univ. of Baroda, Baroda
			5. Reform of Sales Tax in Gujarat	Department of Business Economics, Faculty of Commerce	Sept. 8, 1982 MS Univ. of Baroda, Baroda
			6. Economic Effects of Sales Tax	Sales Tax Officers, Advanced Training Course in Sales Tax Administration	Sept. 17, 1982 NIPFP, New Delhi
			7. Impact of Income Tax on Work Effort, Saving and Risk Taking—Shiftability of the Income Tax	Assistant Commissioners of Income Tax. Course on: Economics of Income Taxation	December 9, 1982 NIPFP, New Delhi
			8. Financing of University Education	Orientation Programme in Financial Administration for Officers working in the Finance Department in Education in the States	January 10, 1983 National Institute of Educational Planning and Administration
			9. Mobilisation of Additional Resources for Education	National Institute of Educational Planning & Administration	February 2, 1983 New Delhi
			10. Central Budget 1983-84	Symposium, India International Centre	March 3, 1983 New Delhi
4.	Dr Shankar Acharya	Senior Fellow	1. Development Perspectives and Problems of Sub-Saharan Africa	Faculty of NIPFP, ISI, etc.	October 15, 1982 Indian Statistical Institute

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S.No.	Name	Designation	Topic	Audience	Date & Place
5.	Dr Shyam Nath	Senior Economist	2. The Nature and Role of Taxation in a Modern Developing Economy	Sales Tax Officers. Advanced Training Course in Sales Tax Administration	September 13, 1982 NIPFP
			3. The Nature and Role of Taxation in a Modern Developing Economy	Assistant Commissioners of Income Tax. Course on: Economics of Income Taxation	December 1, 1982
			4. Black Money/Unaccounted Income: The Problem and its Consequences	— do —	December 20, 1982 NIPFP, 1983 New Delhi
			5. Approaches to Estimating the Unaccounted Economy in India	Officers of the National Income Division	March 11, 1983 Central Statistical Organisation
			1. Incidence of Indirect Taxes with Special Reference to Sales Tax	Sales Tax Officers Advanced Training Course in Sales Tax Administration	September 14, 1982
6.	Dr M Govinda Rao	Senior Economist	2. Area Based Property Valuation	Participants, Course on Valuation and Assessment for Property Taxes	September 18, 1982, Indian Institute of Public Administration, New Delhi
			3. Quantitative Techniques in Analysing the Tax Data	Workshop on the Quantitative Analysis in Economics Sponsored by the U.G.C.	August 31, 1982 University of Gorakhpur
			1. Economics of Income Taxation	Assistant Commissioners of Income Tax. Course on Economics of Income Taxation	December 6, 1982 NIPFP, New Delhi
6.			2. Inter-Governmental Relations in India	Fiscal Indian Statistical Institute	October 29, 1982 Delhi

## ANNEXURE VI (Contd.)

S.No.	Name	Designation	Topic	Audience	Date & Place
7.	Mr Srinivasa Madhur	Sr. Economist	1. Perspectives on Fiscal & Monetary Policies in Stabilisation	IIPA Delhi	September 30, 1982, IIPA, Delhi
			2. Role of Fiscal Policy in Stabilisation	IIPA, Delhi	December 1982
8.	Mr Pawan Kumar Aggarwal	Economist	1. Tax Progression—Justification for a Progressive Income Tax	Assistant Commissioners of Income Tax. Course on Economics of Income Taxation	December 7 & 8, 1982, NIPFP, New Delhi
			2. Methods of Achieving Progression—Marginal and Average Rates: Alternative Measures of Progression—Measurement of Progressivity	— do —	December 7 & 8, 1982, NIPFP, New Delhi



## Papers and Publications of Staff Members 1982-83

S. No.	Name	Designation	Topic	Published/read at seminar or conference
1	Dr A Bagchi	Senior Fellow	<ol style="list-style-type: none"> <li>1. Inflation and the Personal Income: A Note</li> <li>2. Elasticity of the Non-Corporate Income Tax in India (Co-authored with Dr M G Rao)</li> <li>3. Growth of Public Service in India in Health, Education and Other Welfare Activities (1960-61 to 1979-80)</li> <li>4. What Role for POSB Till 2000?</li> <li>5. Reform of Direct Taxes</li> </ol>	<p><i>Economic and Political Weekly</i> April 24—May 1, 1982</p> <p><i>Economic and Political Weekly</i> September 1982</p> <p>Presented at the Seminar on Public Services in National Consumption, convened by the Indian Association for Research in National Income and Wealth, October 1982</p> <p>Presented at the National Seminar on Small Savings Organised by the Post and Telegraph Department, October 1982</p> <p><i>Financial Express</i> February 26, 1983</p>
2.	Dr V D Lall	Senior Fellow	<ol style="list-style-type: none"> <li>1. Cleaning the Jungle of Tax Laws</li> <li>2. The Role of the Budget in Developing Economies</li> <li>3. Corporate and Personal Income Tax: Economic Issues and Policy Alternatives</li> <li>4. A Location Tax for Financing Regional Development Activities</li> </ol>	<p><i>Economic Scene</i> March 1, 1983</p> <p><i>Economic Scene</i> March 16, 1983</p> <p><i>Economic and Political Weekly</i>, March 19, 1983</p> <p><i>Economic and Political Weekly</i>, (forthcoming) 1983</p>

## ANNEXURE VII (Contd.)

S No.	Name	Designation	Topic	Published/read at seminar or conference
<i>Books</i>				
3.	Dr K N Reddy	Senior Fellow	<ol style="list-style-type: none"> <li>1. Measurement of Tax Effort</li> </ol> <p><i>Read at Seminar</i></p> <ol style="list-style-type: none"> <li>1. Measurement of Tax Effort : Some Issues and Suggestions</li> <li>2. Scrutiny of Central Government Forecast</li> <li>3. Upgradation of Standards of General Administration</li> </ol>	<ol style="list-style-type: none"> <li>1. Resource Mobilisation in the Private Corporate Sector NIPFP, 1982</li> <li>2. Fiscal Incentives and Corporate Tax Saving, NIPFP, 1983</li> </ol> <p><i>Financial Express</i>, March 23, 1983</p> <p>Seminar on: Centre-State Financial Relations, Institute for Financial Management and Research, Madras, January 3, 1983</p> <p>— do —</p> <p>Seminar on: Fiscal Readjustment and the Finance Commission, Department of Economics, Lucknow University, Lucknow, February 5 &amp; 6, 1983</p> <p><i>Financial Express</i></p> <p><i>Taxman</i></p> <p><i>Book Reviews :</i></p> <ol style="list-style-type: none"> <li>1. Business Collaboration in India by H P Agrawal</li> <li>2. Taxation of Charity by M P Agrawal</li> </ol> <p>— do —</p> <p><i>Taxman</i></p>
4.	Mr K Srinivasan	Senior Consultant	<ol style="list-style-type: none"> <li>1. Finance Bill 1983</li> <li>2. Finance Bill 1983</li> </ol>	<p><i>Financial Express</i></p> <p><i>Taxman</i></p>



S.No.	Name	Designation	Topic	Published/read at seminar or conference
5.	Dr Shankar Acharya	Senior Fellow	3. T P Mukherjee's Commentary on Customs Act	<i>Taxman</i>
			4. The Code of Civil Procedure by A N Saha	— do —
			5. Commentary on Payment of Bonus Act 1965 by P N Ghosh	— do —
			6. Chaturvedi and Pithisaria's Income Tax Law	— do —
			7. Manual for Indian Residents Abroad by V K Puri and S C Malhotra	— do —
			8. Sanjeeva Rao's Registration Act 1908	
			1. Money of Dreadful Hue (Book Review)	<i>Financial Express</i> , October 10, 1983
			2. The Unaccounted Economy in India: Outline of a Research Strategy	NIPFP, November 1982
			3. Black Money: A Symposium	<i>Financial Express</i> , December 6, 1983
			4. Comments on Some Financial Problems in the North, the South and In Between	Delivered at ICRIER Conference on Rethinking Global Negotiations, January 7, 1983
			5. The Black Economy: Concepts, Scale and Consequences	<i>Seminar</i> , March 1983
			6. Informal Credit Markets and Black Money: Do they Frustrate Monetary Policy? (Co-authored)	NIPFP, Working Paper No. 11 March, 1983

S.No.	Name	Designation	Topic	Published/read at seminar or conference
6.	Dr M Govinda Rao	Senior Economist	1. Elasticity of Non-Corporate Income Tax in India (Co-authored with Dr A Bagchi)	<i>Economic and Political Weekly</i> , September 4, 1982
			2. Inter-State Tax Effort and Federal Transfers—Implication for Poorer States	Paper presented at Seminar on Fiscal Readjustment and the Finance Commission held at Lucknow, February 5 & 6, 1983
7.	Dr Shyam Nath	Senior Economist	1. Property Tax Revenue Growth in two Indian Cities (Co-authored)	Occasional Paper No. 65, The Maxwell School Metropolitan Studies Program, Syracuse University, December 1982
			2. Impact of Standard Rent on Property Tax Base: An Empirical Analysis	Working Paper No. 10, NIPFP, New Delhi, October 1982
			3. Draft Report on Public Sector Savings Behaviour	For ICRIER (for internal circulation)
			4. Determinants of Fiscal Decentralisation—A Cross-Section Analysis (with Roy Bahl)	Forthcoming
8.	Mr Arun Kumar	Consultant	1. Wheat Imports—A Self-Inflicted Sore?	<i>Economic and Political Weekly</i> , September 25, 1982
			2. More Grub (Review of Food, Poverty and Nutrition by VKRV Rao)	<i>Book Review</i> , March 1983
			3. Abracadabra: The Chequered Economy in Black and White (Review of The Black Economy in India by K N Kabra)	<i>Economic and Political Weekly</i> , (Forthcoming)



S.No.	Name	Designation	Topic	Published/read at seminar or conference
9.	Dr R L Chawla	Senior Economist	1. The Myth of Brazilian Miracle 2. World Exchange Rate: Adjustments the Brazilian Way 3. Anomaly of Growth: Brazil's Foreign Debt-Fed Economic Development	<i>Patriot</i> (Delhi) Supplement on Latin America 26, August 26, 1982 <i>Economic Times</i> , January 12, 1983 <i>International Studies</i> (New Delhi), July-December 1981 Issued March 1982

## 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 Limited

## B. Life Members

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

## C. Ordinary Members

## States/Union Territories

- 1 Bihar\*
- 2 Delhi
- 3 Haryana
- 4 Jammu and Kashmir
- 5 Pondicherry
- 6 Sikkim



7 Tripura

**Public Sector Banks**

8 Indian Bank

9 Indian Overseas Bank

**Others**

10 Air Headquarters

11 Hindustan Lever Ltd.

12 Mac Laboratories (P) Ltd.

13 Bennett Coleman & Co. Ltd.

14 Escorts Limited

15 Kamani Engineering Corporation

\*Have agreed to become Life-member,

**ANNEXURE IX**

**List of Governing Body Members as on 31.3.1983**

**Chairman**

1. Prof D T Lakdawala  
Sardar Patel Institute  
of Economic and Social  
Research  
Thaltej Road  
Ahmedabad—380 054
2. Shri V B Eswaran  
Secretary (Revenue)  
Ministry of Finance  
Government of India  
North Block  
New Delhi—110 001
3. Shri M Narasimham  
Secretary  
(Economic Affairs)  
Ministry of Finance  
Government of India  
North Block  
New Delhi—110 001
4. Shri V B Kadam  
Adviser and Officer-in-charge  
Economic Department  
Reserve Bank of India  
Central Office  
Bombay—400 001
5. Shri K V Ramanathan  
Secretary  
Planning Commission  
Government of India  
Yojana Bhavan  
Parliament Street  
New Delhi—110 001
6. Shri R Balkrishnan  
Secretary (Economic Affairs)  
Finance Department  
Government of Gujarat  
Sachivalaya  
Gandhinagar—382 010
7. The Secretary  
Finance Department  
Government of Orissa  
Secretariat  
Bhubaneswar—751 001
8. The Secretary  
Finance Department  
Government of Tamil Nadu  
Fort St George  
Madras—600 009
9. Shri N J Jhaveri  
Group Manager: Economic  
& Market Research  
The Industrial Credit and  
Investment Corporation  
of India Ltd.  
163 Backbay Reclamation  
Bombay—400 020



10. Shri Raunaq Singh  
President  
The Associated Chambers of Commerce  
and Industry of India  
17, Parliament Street  
New Delhi—110 001

12. Dr I S Gulati  
C/o Centre for Development Studies  
Aakulam Road  
Ulloor  
Trivandrum—695 011

14. Dr C H Hannumantha Rao  
Member  
Planning Commission  
Government of India  
Yojana Bhavan  
Parliament Street  
New Delhi—110 001

16. Dr B K Madan  
B-100 Greater Kailash 1  
New Delhi—110 048

11. Dr D K Devarajulu  
President  
Federation of Indian Chambers of  
Commerce and Industry  
Federation House  
Tansen Marg  
New Delhi—110 001

13. Dr D M Nanjundappa  
Vice-Chancellor  
Karnatak University  
Pavate Nagar  
Dharwad—580 003

15. Shri I Z Bhatt  
Director General  
National Council of Applied  
Economic Research  
"Parisila Bhavan"  
11 Indraprastha Estate  
New Delhi—110 002

Member-Secretary

17. Dr R J Chelliah  
Director (on leave)  
National Institute of Public,  
Finance and Policy  
18/2 Satsang Vihar Marg  
Special Institutional Area  
New Delhi 110 067

## NIPFP : ACCOUNTS



## 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 1983 and the annexed Income and Expenditure Statement for the year ended as on that date, which are in agreement with the books of accounts 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 1983, and
- ii) In the case of the Income and Expenditure Statement, of the deficit for the year ended 31st March 1983

Place : New Delhi  
Dated 15th July 1983

For Sood Brij & Associate  
Chartered Accountants  
Brij Mohan Gupta  
Partner

## STATEMENT OF FINANCIAL POSITION

	Schedule	As at 31st March	
		1983	1982
		Rs.	Rs.
FUNDS	A	1,18,88,117	1,01,64,254
RESERVES	B	1,92,551	1,19,176
CURRENT LIABILITIES	C	12,64,830	15,42,298
<b>TOTAL</b>		<u>1,33,45,498</u>	<u>1,18,25,728</u>
REPRESENTED BY:			
FIXED ASSETS	D	71,44,933	58,09,064
INVESTMENTS	E	47,77,500	47,77,500
CURRENT ASSETS	F	14,23,065	12,39,164
NOTES ON ACCOUNTS	H	—	—
<b>TOTAL</b>		<u>1,33,45,498</u>	<u>1,18,25,728</u>

The Schedules referred above form integral part of this Statement.

J. K. Jain  
Administrative Officer

Dr R. J. Chelliah  
Vice-Chairman

Dr. D. T. Lakdawala  
Chairman

Place: New Delhi  
Dated 15th July 1983

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



# INCOME AND EXPENDITURE STATEMENT

INCOME	Year ended 31st March			
	1983		1982	
	Rs.		Rs.	
Grant-in-Aid	6,00,000		5,00,000	
Corporate Membership Fees	20,000		32,000	
Project Fees	10,08,098		5,22,486	
Course & Programme Fees	2,07,800		1,18,900	
Interest on Investment :				
— Endowment Fund	4,54,556		4,43,124	
— Research Fund	1,09,091		75,634	
— Life Membership Fund	8,933		8,933	
— Other Funds	2,288	5,74,868	2,375	5,30,066
Reserve Bank of India Grant	75,000		75,000	
Sale of Publications	3,025		2,850	
Royalty on Publications	3,962		1,728	
Excess Provision of Previous Year Written Back	1,378		8,170	
Data Processing Charges	32,353		4,000	
Profit on Sale of Assets	12,213		—	
Miscellaneous Income	36,102		32,614	
	25,74,799		18,27,814	
Net Deficit Transferred to General Reserve	29,248		35,960	
TOTAL	26,04,047		18,63,774	

# EXPENDITURE

	Year ended 31st March			
	1983		1982	
	Rs.		Rs.	
Salaries & Staff Benefits (Including Rs 40,362 towards Employer's Contribution to Staff Provident Fund and other Funds)	11,66,040		9,89,071	
Gratuity	99,904		—	
Rent, Rates & Taxes	19,350		2,86,014	
Water & Electricity	27,445		13,363	
Printing & Stationery	64,648		45,769	
Postage, Telegram & Telephone	40,375		25,007	
Repairs & Maintenance				
— Building	22,227		—	
— Others	93,140		55,368	
Travelling & Conveyance	77,513		63,953	
Car Expenses	16,358		15,453	
Books & Periodicals	1,816		2,517	
Printing & Publication	29,488		20,369	
Course & Programme Expenses	69,534		51,915	
RBI Expenses	75,000		76,936	
Hostel Expenses	11,765		—	
Ford Foundation Grant Expenditure : For details refer to Schedule 'G'				
— In Rupee Account	11,59,820		3,98,739	
Less : Met/provided out of Supplementary Grant	11,59,820	—	3,98,739	—
— In Dollar Account	1,27,817		1,55,315	
Less : Met/provided out of Supplementary Grant	1,27,817	—	1,55,315	—
Interest on Bank Overdraft	57,304		—	
Carried Over	18,71,907		16,45,735	



	Year ended 31st March	
	1983	1982
	Rs.	Rs.
Brought Forward	18,71,907	16,45,735
Audit Fee	2,000	2,000
Miscellaneous Expenses	71,059	81,187
Depreciation on Fixed Assets	3,99,586	89,876
Transfer to:		
— Capital Fund for cost of Additions to Fixed Assets other than Building	2,59,495	44,976
<b>TOTAL</b>	<b>26,04,047</b>	<b>18,63,774</b>

REFER SCHEDULE 'H' FOR NOTES

J. K. Jain  
Administrative Officer

Dr R. J. Chelliah  
Vice-Chairman

Dr. 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 15th July 1983

## FUNDS

### CAPITAL FUND

Last Balance	15,29,375
Add : —Cost of Fixed Assets other than Building acquired during the year including Rs 10,44,965 out of Ford Foundation Grants	13,04,460
—Transfer from Building Fund	33,65,000

### ENDOWMENT FUND

Last Balance	48,00,000	48,00,000
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### LIFE MEMBERSHIP FUND

Last Balance	1,20,000	1,20,000
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### SCIENTIFIC RESEARCH FUND

Last Balance	11,02,500		
Less : Amount transferred to Building Fund	3,35,000	7,67,500	11,02,500

### BUILDING FUND

Last Balance	26,12,379		
Add :			
—Transfer from Scientific Research Fund	3,35,000		
—Contributions/Grants From :			
—Central & State Governments	3,85,000		
—Others	34,403		
	<u>33,66,782</u>		
Less: —Transferred to Capital Fund	33,65,000	1,782	26,12,379
TOTAL	<u></u>	<u>1,18,88,117</u>	<u>1,01,64,254</u>

## SCHEDULE 'A'

As of 31st March	
1983	1982
Rs	Rs

61,98,835	15,29,375
48,00,000	48,00,000
1,20,000	1,20,000
7,67,500	11,02,500
1,782	26,12,379
<b>1,18,88,117</b>	<b>1,01,64,254</b>



## RESERVES

### GENERAL RESERVE

Last Balance	65,817		
Less : Deficit for the year	29,248	36,569	65,817

### CONTINGENCY RESERVE

Last Balance		25,000	25,000
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### GRATUITY RESERVE

Last Balance	28,359		
Add : Provision	1,02,623	1,30,982	28,359
<b>TOTAL</b>		<b>1,92,551</b>	<b>1,19,176</b>

## SCHEDULE 'B'

As of 31st March

1983 Rs 1982 Rs

## CURRENT LIABILITIES & PROVISIONS

### SCHEDULE 'C'

As on 31st March

1983 Rs 1982 Rs

Balance in Grants for committed Expenses	3,95,985	7,43,565
Over-Draft from Bank	3,45,567	5,88,384
Sundry Creditors	5,12,578	2,00,149
Security Deposit	10,700	10,200
<b>TOTAL</b>	<b>12,64,830</b>	<b>15,42,298</b>

## SCHEDULE 'D'

### FIXED ASSETS AS AT 31ST MARCH 1983

Description	GROSS BLOCK AT COST				DEPRECIATION					W.D. Value as at 31st March	
	As at 1st April 1982	Additions	Sale/ad-justments	As at 31st March 1983	Rate	As at 31st March 1982	For the year	Adjust-ments	Total	1983	1982
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Leasehold land	6,05,393	33,360	—	6,38,753	—	—	—	—	—	6,38,753	6,05,393
Building	—	52,95,867	—	52,95,867	2.5%	—	1,32,397	—	1,32,397	51,63,470	—
Furniture & fixture	2,16,628	1,82,146	—	3,98,774	10%	82,132	31,664	—	1,13,796	2,84,978	1,34,496
Office equipment	2,53,244	20,271	—	2,73,515	15%	1,08,398	24,768	—	1,33,166	1,40,349	1,44,846
Vehicles	29,977	—	—	29,977	20%	22,119	1,572	—	23,691	6,286	7,858
Library Books	1,098	—	—	1,098	15%	629	70	—	699	399	469
Data processing equipment	3,03,206	9,29,593	2,93,813	9,38,986	20%	1,46,208	1,86,993	1,42,187	1,91,014	7,47,972	1,56,998
Air conditioners, water cooler & geysers	68,946	22,372	—	91,318	15%	23,189	10,219	—	33,408	57,910	45,757
Hostel furniture	—	83,809	—	83,809	10%	—	8,381	—	8,381	75,428	—
Horticulture equipment	—	4,627	—	4,627	15%	—	694	—	694	3,933	—
Electric installation	—	28,283	—	28,283	10%	—	2,828	—	2,828	25,455	—
	14,78,492	66,00,328	2,93,813	77,85,007		3,82,675	3,99,586	1,42,187	6,40,074	71,44,933	10,95,817
Building work-in-progress											
TOTAL											

47,13,247
58,09,064



# INVESTMENTS

## SCHEDULE 'E'

As on 31st March	
1983	1982
Rs	Rs

(In Fixed Deposits)

With Public  
Sector Banks

With Public  
Limited Com-  
panies

Rs

Rs

Endowment Fund	17,50,000 (23,00,000)	21,35,000 (12,50,000)	38,85,000	35,50,000
Scientific Research Fund	2,67,500 (6,02,500)	5,00,000 (5,00,000)	7,67,500	11,02,500
Life Membership Fund	1,00,000 (1,00,000)	— —	1,00,000	1,00,000
Others	— (25,000)	25,000 —	25,000	25,000
TOTAL			47,77,500	47,77,500

# CURRENT ASSETS

## SCHEDULE 'F'

As on 31st March

1983  
Rs

1982  
Rs

(a) BUILDING MATERIALS IN HAND

51,017

—

(b) SUNDRY DEBTORS

1,98,671

45,534

(c) CASH AND BANK BALANCES

—Cash in hand

460

919

—Postage Imprest

141

145

—In Current Accounts with Banks

1,79,623

1,94,485

—In American Express, New York

3,40,949

4,68,767

(d) ADVANCES AND DEPOSITS

Interest Accrued on Investment

1,12,830

76,516

Advance to Building Contractor

—

80,964

Project Fees Accrued

4,38,978

2,85,973

Loans and Advances to Staff

26,304

15,426

Prepaid Expenses

17,292

13,635

Security Deposits

56,800

56,800

TOTAL

14,23,065

12,39,164



# FORD FOUNDATION GRANT EXPENDITURE

## a) In Rupee Account:

- Collaborative Research
- Fellowship Abroad
- Books & Periodicals
- Data Bank (Advance)
- Fellowship at the Institute
- Data Bank (Gross of Rs 3 lakhs disbursed in the previous year)

Less: Met/provided out of  
Rupee Grant (Gross of  
Rs 3 lakhs as above)

## b) In Dollar Account :

- Fellowship Abroad
- Books & Periodicals
- Data Bank
- Repatriated to Indian Rupee A/c

Less: Met/provided out of  
Dollar Grant

## SCHEDULE 'G'

	Year ended 31st March	
	1983	1982
	200	33,938
	4,996	36,476
	43,827	28,325
	—	3,00,000
	30,639	—
	10,80,158	—
	11,59,820	3,98,739
	11,59,820	3,98,739
	21,291	1,01,315
	56,909	54,000
	2,641	—
	46,976	—
	1,27,817	1,55,315
	1,27,817	1,55,315

J. K. Jain  
Administrative Officer

Dr R. J. Chelliah  
Vice-Chairman

Dr. 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 15th July 1983

## SCHEDULE 'H'

## NOTES ON ACCOUNTS

(Annexed to and forming part of the Statement of Financial Position as at 31st March 1983 and Statement of Income and Expenditure for the year ended on that date)

- 1 The Contingency Reserve does not represent any specific liability. Contingent liabilities if any have not been determined.
- 2 FORD FOUNDATION GRANTS
  - (a) Balance of US \$ 42.20 remained with American Express International Banking Corporation, New York, out of the Support Grant received initially from Ford Foundation.
  - (b) Ford Foundation sanctioned Supplementary Grant of US \$ 245,000 during the year 1980-81 out of which US \$ 215,000 have been received upto 31st March, 1983. Institute has utilised/appropriated the grant as under :

	In Dollar A/c	In Rupee A/c
	US \$	US \$
Received	1,05,000	1,10,000
Adjustment for Repatriation	(—)40,158	40,158
	64,842	1,50,158
Utilised/Appropriated	28,271	1,46,720
Balance	36,571	3,438

(c) The Dollar grants have been translated into Rupee equivalent at the rates prevailing at the time of receipt, and utilisation thereof at the same rates.

- 3 Gratuity liability in respect of all the employees of the Institute has been provided in the books of account.
- 4 Institute has pledged investments to the extent of Rs. 13.00 lakhs to arrange overdraft facilities from the Bank.



- 5 The management of the Institute confirms that the extent of utilisation/appropriation of all the grants as shown in account is in accordance with the purpose for which these have been received.
- 6 Corporate Membership Fees have been accounted on receipts basis.
- 7 Stock of priced publications in hand are not being determined and considered in the books of account.
- 8 Interest earnings on investment of Specified Funds is being taken to Income and Expenditure Account.
- 9 The expenditure on Books and Periodicals is inclusive of remittances against which the publications are to be received.
- 10 Leave travel concession to employees is being charged to expenses at the time of actual disbursement.
- 11 Expenses incurred during the year out of the imprest to staff not adjusted at the year end are to be ascertained and provided in the books of account.
- 12 Previous year figures have been re-arranged wherever considered necessary.

J. K. Jain  
Administrative Officer

Dr R. J. Chelliah  
Vice-Chairman

Dr. 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 15th July 1983

## SUPPLEMENT

### **NIPFP BUILDING COMPLEX**

The Building Complex of the Institute was inaugurated by Shri Pranab Mukerjee, Finance Minister of India, on April 7, 1982. The function was presided over by Dr. I. G. Patel, the then Governor of the Reserve Bank of India. The Patron of the Institute, Shri C. Subramaniam, former Finance Minister of India, graced the occasion by his presence. The function was well attended by important dignitaries including diplomats, State Ministers, senior government officials and academicians. The welcome speech of Dr. R.J. Chelliah, Director of the Institute, and the inaugural speech of the Finance Minister are given in the following pages.



**Text of Welcome Speech delivered by Dr. R.J. Chelliah,  
Director, National Institute of Public Finance and  
Policy, on the occasion of the inauguration  
of the Building Complex of NIPFP**

Shri Pranab Mukherjee, Shri C. Subramaniam, Dr. I.G. Patel, Professor Lakdawala, distinguished guests and friends.

For us at the Institute today is a day of thanksgiving for the fulfilment of our plans and for our arrival at one further landmark in the development of this institution. It is indeed a pleasant duty to thank all those who have helped us in a major way in our endeavour. But before I do that, may I express the thought that comes uppermost in my mind as I stand before this distinguished audience? And that is, when all is said and done, India is truly a land of opportunity. There must be few other countries with an open society like ours, where a small group of ordinary men could come together and with nothing to recommend them except hard work and their scholarship, create an institution in an untried field, receiving in the process overwhelming support from the community. It is true enough that young talent in our country is often frustrated and sometimes smothered by the forces of parochialism and nepotism. We also often complain of hurdles placed by the establishment on innovations and on new initiatives; but, withall there is no denying the fact that patronage of academic effort is also a time-honoured tradition in our country. From times of yore it has been possible in this country to innovate, to build, and to create institutional facilities for achieving academic and socio-religious objectives. From the time of Adi Sankara to modern times we have numerous examples of the display of individual initiative overcoming initial hurdles and winning final support.

In a fast developing society like ours, which is forging ahead on many fronts, there is obviously need for a variety of public institutions through

which the plurality of ideas, which forms the basis of a democratic polity, can be developed and given expression. New institutions arise in the quest for the understanding of new facets of development and new problems thrown up by the development process. In our own times, there have been shining instances of the creation of valuable institutions in the academic sphere such as the Gokhale School of Politics and Economics, the Indian Statistical Institute and the Christain Medical College, Vellore. Ours of course is a small institution with modest objectives as compared to those grand endeavours. But it is our ambition to follow the path of their tradition.

This Institute is specially devoted to the problems of public finances and public policies. In our chosen field, we would like to reach and maintain a high standard of performance in scholarship, research, consultancy and teaching. With this end in view, it has been our endeavour to train young scholars in economic analysis and in the techniques of applied research and, more than that, inculcate in them the work ethic and desire for excellence. It is often said that institutions, even academic ones, will perforce reflect, and become subject to, the forces and pressures that operate in the larger community outside. While this is inevitable to some extent, if intellectuals are to be worth their name they must play a leadership role and their institutions should reflect their vision and ideas of a harmonious, progressive and equitable society and not just become the mirror-image of the divisive forces outside representing anti-intellectual urges and the iniquities of a dying age. It is, after all, one of the tasks of civilisation, as Naipaul points out, to convert ethical ideas into institu-



A profile of the Complex; hostel at left background (Top) The NIPFP Hostel (below)







Front view of the Institute Complex

tions.

These are high ideals and we cannot claim to have realised them. But these shall inspire us and with like-minded institutions we hope to contribute our little mite to the process of nation-building.

It is perhaps in recognition of the need for an institution of this kind and of some good work we have been able to do, that we have received support from many sections of the community for which we are deeply grateful.

I would like to take this opportunity to place on record our indebtedness to several individuals and institutions. Although at the stage of planning of this Institute several State Governments had indicated their willingness to support the creation of an Institute devoted to the study of public finances, it could not have come into existence without the active support and encouragement of Shri C. Subramaniam, our elder statesman present here, who was then the Union Finance Minister. The founding members of the Institute such as Professors Lakdawala and I.S. Gulati, Dr. Madan and, above all, Shri P.N. Haksar, the first Chairman, nurtured the Institute in its infancy and guided me in many ways. Next, we would like to acknowledge with gratitude the financial and moral support we have received from the Ministry of Finance, Government of India, and from all our member State Governments. The Reserve Bank of India, FICCI, ICICI and ASSOCHAM have been our other major institutional supporters. I would be failing in my duty if I do not also mention the developmental support that we have received from the Ford Foundation according to programmes approved by the Government of India.

After the Institute had been in operation for some time and after we had undertaken several projects on behalf of our Member Governments and of Central Government agencies, we formulated a plan of having a building of our own because, as our Chairman has pointed out in his foreword to the Souvenir, brought out on this occasion, the lack of a building of our own had restricted our activities in several ways. For the purpose of putting up our campus, we had again to fall back on many of our major original donors.

We are grateful to the Government of India for sanctioning a capital grant of Rs 15 lakh upto this time, and to the major State Governments which have contributed Rs 1 lakh each. The Ford Foundation and the ICICI have also made substantial contributions. However, these resources were far from sufficient to meet the cost of even a small sized campus because of the rapid escalation in costs in recent years. We have, therefore, had to broaden our sources of support and appealed to the private corporate sector to make contributions to strengthen our Scientific Research Fund so that it may be possible for us to utilise part of our original endowment to meet a portion of the construction costs. As you will see from the list of donors, a large number of companies have come forward to make contributions. Of these, I would like to specially mention Larsen & Toubro Ltd., who were so generous as to make a handsome contribution of Rs 5 lakh to our Scientific Research Fund. Besides approaching the private corporate sector, we felt that it would be desirable to make an appeal to a wider section of the community including in particular the academicians comprising old students, friends and associates and other well-wishers of the Institute. There would thus be sense of public participation in the creation of this essentially public service institution. On my own behalf and on behalf of the Institute, I would like to publicly express our deep sense of gratitude to all the friends and associates and old students who have generously responded to our appeal. In spite of all our efforts, the deficit on building account is still around Rs 9 lakh. It would indeed have a beneficial effect on our future work if we could receive further assistance to meet this gap.

I would next like to thank all my colleagues on the Building Committee who devoted several hours of hard work to discussions, award of contract and constant review and inspection. It was of great help to have on the Committee a representative of the Ministry of Finance and the Chief Architect to the Government of India. Our Engineering Consultant, Shri J. Durai Raj, rendered us invaluable assistance in relation to the finalisation of the terms of the contract, the inspection of works and the enforcement of the agreement



standards. Our Clerk of Works, Shri B.G. Gupta, assisted Shri J. Durai Raj efficiently and has been energetic in safeguarding our interests.

It remains for me now to thank our Architect, Shri Raj Rewal and the Contractor, Shri Ahluwalia. As you will see presently when you enter the building, Shri Rewal has given us a beautiful campus. I had myself borrowed the idea of a central quadrangle from the then new IMF building in which I used to work. To this we added certain other essential requirements and requested Shri Rewal to work on them. He has interpreted our ideas so as to produce an aesthetically pleasing and elegantly constructed structure. The three main ideas that went to form the concept of this building are:

1. Maximum utilisation of natural light and ample ventilation;
2. Minimisation of maintenance costs;
3. An open internal courtyard which besides helping in the first objective could be pleasing to the eyes and could be utilised by the staff

for various purposes.

These ideas have been fully realised in the design that Shri Rewal has given us. Shri Ahluwalia has maintained a high standard of performance in translating the Architect's plans into reality so that what we have is an excellently constructed building. To both of them I would like to express our heartfelt thanks.

I would like to thank the Union Finance Minister, Shri Pranab Mukherjee, the Governor, Reserve Bank of India, Dr. I.G. Patel, Shri C. Subramaniam and Prof. Lakdawala for having spared the time and taken the trouble to grace this occasion. I would like to thank all of you for having responded to our invitation and joined with us in celebrating this eventful day in the history of this Institution. And now, before we request Shri C. Subramaniam to release our new book, I would like to request the Finance Minister to give away to our Architect and Contractor trophies which we are giving to them as tokens of our appreciation of the excellent work done by them.

## **Speech of Union Finance Minister Inaugurating the Building Complex of the National Institute of Public Finance and Policy**

Friends,

It gives me very great pleasure to be here with you today, to inaugurate this beautiful new building which is to house the National Institute of Public Finance and Policy. It is particularly a pleasure for me because I have myself been associated with this Institute's very beginning. The idea of establishing a National Institute of this type was first publicly aired in 1975 by the then Finance Minister. I was at that time a Minister of State in the Finance Ministry, and I recall that the idea received enthusiastic support from a wide spectrum of opinion. The Institute was established a year later with support from the Central Government, various State Governments as well as various non-government bodies. For the past few years it has been fully operative, although housed in temporary quarters. I am very happy to see it move today into its permanent home here, in these very agreeable surroundings.

The National Institute was established in recognition of a long felt need for the creation of an independent and specialised institution to undertake research on the practical problems of public finance, viewed in the context of the economy as a whole, and also to provide both training and consultancy services in this area. Its establishment came not a day too soon.

The need for an independent research institution specialising in this area is self-evident. Public finance is not only one of the central subjects in economic policy—it is also one of the oldest. After all, Governments have been levying taxes long before economics even came to be recognised as a formal discipline. But it is not by this seniority alone that a separate institution is warranted. The problems in this area are also extraordinarily complex and they call for specialised and sustained

attention.

One important reason why a specialised institution in this area is necessary even though there are many research institutions studying public policy in general is that public finance presents a unique intersection between four quite distinct fields. These are economics, public administration, law, finally in our federal system, constitutional law and practice. Whether we look at taxation or at expenditure, the practical problems of policy making and implementation are not just economic problems to be resolved by recourse to economic theory. They are just as much administrative and legal problems which must just as often be viewed primarily from an administrative or legal point of view. In a federal system such as ours, public finance issues cover state finances, and the relationship between the Centre and the States which is governed by well established principles laid down in the Constitution. To some extent, such overlaps exist in all matters of economic policy. But I think you will agree that in the case of public finance, both the extent and intensity of the overlap is much greater. It is because of these overlaps that much of the research that is needed in this field, cannot be undertaken as part of the general body of research in a non-specialised institution. There is a definite need for a specialised institution which can look at these problems in sufficient detail, and with sufficient recognition of the overlaps, to ensure that the research results obtained are truly of practical value.

Not only are the problems themselves inherently complex, they are also urgent and are day by day becoming more so. The past twenty years or so have seen a tremendous growth in the role and scope of Government activity. Along with this there has been a corresponding increase in the scale of



public finance operations. The volume of taxes raised by the Government has increased very considerably. Tax revenues were only about 7 per cent of national income in 1950-51. With the need to raise greater resources for economic and social development, they have risen to almost 20 per cent of national income today. Along with this expansion, the scope and complexity of our tax structure has also naturally increased. This is partly because a great deal in the present system is the result of specific responses to particular situations and particular problems. Government expenditure levels have also increased considerably over this period and they have also become more complex. The structure of expenditure flows, as well as the objectives underlying Government expenditure, have become much more diverse.

With the growing size and complexity of the fiscal system it is essential to ensure sustained and indepth study of the system and of associated matters of policy as a continuing activity. The National Institute was created with this end in view. It provides a national institutional base in which high quality work can be done on a continuing basis in an environment which is conducive to independent research. It should contribute to an accumulation of information, expertise and knowledge in this area which can be of use in policy making.

This is the research role the Institute was designed to fill, and I am happy to note that in the few years in which it has been in operation it has already filled the role admirably. It has undertaken a number of valuable studies on matters of policy both as a part of its own research activity, and also as contracted research in response to requests made by Government and non-Government bodies. I have no doubt that it will continue to play this role with distinction in the future and the Govern-

ment, both at the Centre and in the States, will benefit from its accumulated expertise.

Equally important, in my view, as the research function, is the training function that the Institute can perform. Successful public finance management by the Government requires a highly trained staff both for the administration of the system and also for effective Policy planning. This requires extensive recourse to training facilities to refresh old skills and to learn new ones on a regular basis. This Institute can play a pivotal rôle in this process by providing opportunities for staff training to the Central Government staff, and perhaps even more important, to the State Governments. I am happy to note that a promising start has already been made in this area, with the organisation of workshops and training courses on particular subjects. I hope this aspect of the Institute's work programme will grow over the years so that it can contribute directly to an improvement in public finance in practice.

Institutions take a long time to reach maturity, and as institutions go, this one is still very young. But I think I express a widely-held view when I say that in first six years of its life, it has certainly lived up to the high hopes and expectations with which it was founded. The staff of the Institute, have every reason to be proud of the hard work and dedication with which they have pursued their goals. Particular credit is due to the Director, Dr. Rajah Chelliah, himself an eminent fiscal economist, who has worked untiringly in these years to make the Institute a functioning reality.

With these words, I thank you for inviting me to inaugurate this building; and I hope you will join me in wishing the National Institute of Public Finance and Policy a happy housewarming. Let us hope it will grow from strength to strength in the years ahead.