

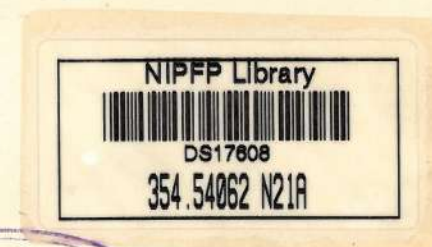
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ANNUAL REPORT
For the year 1987-88



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 year 1987-88

OVERVIEW

The year 1987-88, the Institute's twelfth year, was an eventful one, marked by consolidation and intensification of its activities in research, training and interaction with the larger academic community in major areas of public economics along with expansion into new areas of research. Among the highlights of the year were the completion of several important projects, initiation of new ones including some breaking new ground, two national seminars and a symposium of Commissioners of Sales Tax. The year was also one of trial with as many as two out of seven of its senior faculty members taking leave and one of them resigning from the Institute to join assignments in the Government or the UN in the course of six months. That the Institute was called upon to spare so many of its faculty members to occupy responsible positions in Government and UN organisations and at the same time could cope with this situation without any serious disruption to its ongoing activities, would testify to the strength and recognition it has acquired in the course of barely little more than a decade since it came into being. In facing up to the vacuum caused by the sudden departure of a number of its senior faculty at a time, the Institute was greatly helped by the generosity of the Delhi School of Economics and the Institute of Economic Growth who permitted more than one senior member of their own faculty to come on deputation to the Institute.

A notable event of the year is the creation of a Direct Taxes Cell supported by the Central Board of Direct Taxes. The main functions of the Cell will be to build up a data base for direct taxes including information on foreign tax systems, set up tax models to analyse the impact of changes in the structure of direct taxes, and undertake specific studies to help policy making and tax administration.

The Unit on Housing and Urban Finance, for which a Chair was endowed by the Housing Development Finance Corporation in the previous year, started functioning during the year.

Another significant development of the year is the generous response received from some of the State Governments to an appeal for an annual recurring grant to set up a State Finances Unit with a strong data base and initiate a programme of studies and periodical publications on various aspects of State Finances. Grants have been sanctioned already by the Governments of Karnataka, Kerala, Gujarat, Tamil Nadu and West Bengal. Formal sanction is awaited from Orissa.

The year also witnessed major expansion of the Institute's infrastructure in the form of a much larger capacity in the Computer Unit and substantial additions to the library stock with the support of the Planning Commission and the Ministry of Finance. Progress was also made in the negotiations for obtaining funds for the construction of residential accommodation for its faculty members.

The year was eventful also for the non-professional staff as their pay scales were revised on the pattern recommended by the Fourth Pay Commission for Central Government employees with effect from January 1, 1986, the Ministry of Finance, Government of India, having undertaken to bear the consequent additional liability. However, the intensification and expansion of activities all round posed a challenge which was ably and cheerfully met by all.

FACULTY CHANGES

As mentioned earlier, the professional staff profile at the senior faculty level underwent several changes due to the offers of deputation and leave assignment to several of them and the Institute's efforts to appoint new incumbents to these crucial posts speedily in order to maintain the pace and quality of academic work.

Dr. Sudipto Mundle, Senior Fellow, began a deputation assignment as Economic Adviser in the Ministry of Finance, Government of India in September 1987.

Dr. Mahesh C. Purohit, Senior Fellow, went on leave in February 1988 to take up an assignment as Chief Technical Adviser to the Government of Somalia under a UN programme.

Dr. M. Govinda Rao, Senior Fellow, went on deputation as Economic Adviser with the Ninth Finance Commission in October 1987.

Dr. Srinivasa Madhur, Fellow, was appointed Adviser in the Planning Commission and left the Institute in June 1987 to take up his new assignment.

Dr. D.B. Gupta and Dr. M.N. Murty of the Institute of Economic Growth and Dr. Raghendra Jha of the Delhi School of Economics joined the Institute as Senior Fellows during October 1987-March 1988.

During the same period the Institute appointed four Senior Consultants—Dr. Shovan Ray, Dr. Satya Paul, Smt. Uma Datta Roy Choudhury and Shri P.N. Jhingon.

Six Consultants left the Institute on completion of their tenure and four more were appointed during the year. In addition, one Consultant, Kumari Alka Bajaj was absorbed in the newly created post of Research Associate (Law).

Dr. A. Das-Gupta and Dr. J.V.M. Sarma, earlier Senior Economists were appointed as Fellows in December 1987.

Kum. Shikha Jha, Economist, left the Institute in November 1987 to join the Indira Gandhi Institute of Development Research, Bombay.

As on March 31, 1988, the Institute had a professional staff strength of 41. There were, in addition, temporary Research Investigators and other support staff in accordance with the requirements of the various ongoing projects, and also 19 members comprising the senior levels of Administrative, Computer and Library Staff.

A list of senior professionals and other staff members is included in the Annexures.

FACULTY ACTIVITIES

As before, apart from attending to their primary responsibilities for carrying out the Institute's projects and conducting or participating in its training programmes, several of the faculty members

continued their co-academic activities comprising membership of various Government committees, academic bodies and professional associations, delivering invitation lectures and active participation in seminars and conferences both in India and abroad. Highlights of academic and related activities of the professional staff are given below.

Besides providing guidance for research and overseeing the progress of the projects and other activities of the Institute, Dr. Bagchi, Director, led research teams in two major studies. He also continued to work as Honorary Consultant to the Ministry of Finance, Government of India. He was Member of four Government bodies: Research Advisory Committee, Planning Commission; Taxation Enquiry Committee, Government of Maharashtra; Resource Group, Government of Gujarat; and Resource Group, Government of Mizoram. He was also Member, Advisory Committee of the Ministry of Finance for Direct Taxes and also for Customs and Central Excise, Coordination Committee on HUDCO/ODA Survey of Training Needs Study, Government of India, and of CABE Sub-Committee on Housing Needs for Women Teachers, Government of India. In February 1988 he visited Trivandrum at the invitation of the Government of Kerala to advise on measures for resource mobilisation.

During the year Dr. Bagchi spent about a month in Manila as a Consultant to Asian Development Bank to prepare an overview of a six-country study on Financing Public Sector Development Expenditure. Among his other activities, Dr. Bagchi gave a seminar on Issues and Problems in the Financing of Public Expenditure at Thammasat University, Bangkok, in June 1987. Dr. Bagchi also presented a paper at the International Seminar on Financial Relations in Systems of Devolution and Decentralisation dealing with Problems of Ethnic Minorities, held at Marga Institute, Colombo, in December 1987 and co-authored with Ms Sujata Dutta a paper on Finance and Price Planning for Public Enterprises, presented at a conference of the Indo-GDR Planning Group held in the Planning Commission in November 1987. Earlier, he participated in a seminar on Terms of Reference of the Ninth Finance Commission held at the Centre for Economic and Social Studies, Hyderabad. Later in the year he co-authored and presented a Background Paper at the National Seminar on Issues Before the Ninth Finance Commission, organised by the Institute in February 1988. Dr. Bagchi also took part in several other seminars held during the year on Direct Taxes Amendment Bill (at IIC, FICCI and the All India Radio). His lectures during the year included one on India's Fiscal Policy at the Regional Training Institute of the Income Tax Department at Lucknow.

Dr. K.N. Reddy, Senior Fellow, besides looking after the day-to-day activities of the Institute in the absence of Director and sharing some of his administrative responsibilities, carried out a major study on Distribution of Benefits of Government Expenditure in Andhra Pradesh and conducted two major training programmes. He was nominated as an Expert Member to the Board of Studies in Business Economics, Department of Business Economics, Faculty of Commerce, M.S. University of Baroda, and was also elected as a member of the Faculty. He participated in a National Seminar on Seventh Five Year Plan at Osmania University in April 1987. His lectures during the year included three on Direct Taxes at NADT, Nagpur in October 1988, and one on Budget 1988-89 at the Department of Business Economics, Delhi University in March 1988.

Till the time of his departure, Dr. Sudipto Mundle, Senior Fellow, continued to hold the RBI Chair in Fiscal Policy. He conducted and supervised studies under two major programmes, viz., one on Macro Economic and Industrial Policy in India and the other on Agriculture-Industry Linkages under the Indo-Dutch Programme on Alternatives in Development supported by the ICSSR. In June 1987, Dr. Mundle took part in the North South Round Table held at Istanbul sponsored by the Society for International Development. He also participated in a seminar on World Development Report, 1986.

held at the Indian Council for Research in International Economic Relations in July 1987. Dr. Mundle also conducted one of the Institute's training programmes.

Dr. Mahesh C. Purohit, Senior Fellow, visited Paris under the Indo-French Exchange Programme during June-July 1987. He worked on a study on Structure and Operation of VAT at the Maison Des Sciences De L' Homme, Fondation Reconnue D'utiliti Publique. However, before he could complete the assignment a family tragedy compelled him to return to India. Before going to Paris, Dr. Purohit completed a study on Fiscal Policy for the National Capital Region. He also conducted one of the Institute's training programmes in Sales Tax Administration.

Dr. M. Govinda Rao, Senior Fellow, was in charge of one of the Institute's major projects, viz., Comparative Study of State Government Expenditures and prepared comprehensive groundwork in terms of data compilation and formulation of methodology, before his departure. He conducted, along with Dr. Bagchi, a study on Kerala Finances and a training programme.

Dr. D.B. Gupta of the Institute of Economic Growth (IEG), Delhi, who took up the Chair in Housing and Urban Finance endowed by HDFC, is leading study teams in several projects in the area of housing and urban finance. He is the National Coordinator of a project on Evaluation of District Industries Centres Programme of the Ministry of Industrial Development. He has also been actively involved with several committees and working groups of the Government, notably on Housing Statistics, Land Prices, and HUDCO/ODA Survey on Training Needs for Human Settlements in India. He participated in a number of national and international seminars/workshops including International Workshop on Public and Private Initiatives on Delivery of Urban Services and National Seminar on Social Statistics where he was a principal discussant in the session on Shelter and Environment. He is also on the editorial board of a number of professional journals published from India and abroad.

Dr. M.N. Murty, also of the IEG, Delhi, now a Visiting Senior Fellow in the Institute, is engaged in a major project on Postal Finances and Tariff Policy jointly with Dr. Raghendra Jha and Dr. Satya Paul. He gave a seminar jointly with two others on Application of Nash Two-Person Cooperative Games in the Management of Common Property Resources, at the ISI, New Delhi Centre, and also participated in a seminar on Social Cost-Benefit Analysis for Transport Projects at the Planning Commission in February 1988.

Dr. Raghendra Jha of the Delhi School of Economics, who joined in March 1988 as a Senior Fellow (Visiting), has taken up along with Dr. Murty and Dr. Satya Paul a study on Postal Finances and Tariff Policy. He was also engaged in a study on Public Sector Pricing Policy under an ICSSR project. Dr. Jha continued to take classes in the Delhi School of Economics and take part in other academic activities at the School.

During the year the Institute had the benefit of the association of Prof. D.N. Rao of the Centre for Economic Studies & Planning, Jawaharlal Nehru University as an honorary visiting member of the faculty.

Dr. Shyam Nath, Fellow, was occupied mainly in carrying out a study on the Management of Urban Local Finances in the Non-Octroi States. He continued to be an external Ph.D. Supervisor in the Faculty of Social Sciences, Banaras Hindu University, for candidates working in the area of urban local finance. He participated in a conference on Urban Housing and Transport Policy organised by CIRIC India and SDS, New Delhi at the India International Centre in February 1987 and co-authored with Dr. Tapas Sen a paper presented at a seminar at the Shivaji University, Kolhapur.

Dr. Arindam Das-Gupta, Fellow, took over in June 1987 the responsibility for conducting the study on Informal Credit Markets on the departure of Dr. Srinivas Madhur. He attended the ADB-OECD-EWC Conference on Savings Mobilisation through Formal and Informal Sectors held in Honolulu, USA, in June 1987 and presented a paper on Formal and Informal Sector Savings Mobilisation in India. He also presented a paper jointly authored with Dr. Tapas Sen, Senior Economist, at the Annual Conference of the Centre for Economic Studies, Presidency College, Calcutta. Two of his papers were accepted for the Silver Jubilee Conference of the Indian Econometric Society held at Bangalore in January 1988.

Dr. J.V.M. Sarma, Fellow, completed the study on Investment Allowance in the Income-tax Act along with Shri H.K. Sondhi, Senior Consultant and initiated the work on the study on Sales Tax System in Andhra Pradesh. He also assisted Dr. M. Govinda Rao, Economic Adviser to the Ninth Finance Commission in econometric work.

Shri K. Srinivasan, Senior Consultant, was engaged in a study of the Tax Treatment of Labour Welfare Trusts. He also undertook the responsibility for conducting one of the Sales Tax Training Programmes of the Institute. He took part in several seminars on Tax Policy and Administration and addressed Commonwealth Tax Administrators at the National Academy of Direct Taxes, Nagpur.

Shri K.N. Balasubramanian, Senior Consultant, along with Kum. Alka Bajaj completed the first draft of two major studies on sales tax law and finalised the report on Sales Tax Administration in West Bengal during the year. He was associated with the studies on the sales tax systems in two States, Orissa and Andhra Pradesh. He took charge of convening and conducting a symposium of Commissioners of Sales Tax during the year. Shri Balasubramanian also delivered the Keynote Address at a conference on Model Sales Tax Law organised by the Federation of Karnataka Chambers of Commerce and Industry in Bangalore.

Dr. Shovan Ray, Senior Consultant, looked after the work of the programme of studies on Macro-Economic and Industrial Policy Research, which was earlier under the charge of Dr. Sudipto Mundle. He also delivered a series of lectures to post-graduate students at the Centre for Economic Studies and Planning, Jawaharlal Nehru University, New Delhi as a part-time teacher in the JNU for the January-May 1988 Semester.

Smt. Uma Datta Roy Choudhury joined as a Senior Consultant in February 1988. She initiated work on two research projects: (i) Distribution of Wealth in the Country and (ii) Proposals for a Framework of International System of National Accounts for Developing Countries. Smt. Roy Choudhury is a member of the UN Expert Group on the Structure of SNA which has been set up to approve the revised SNA. She was also a member of a Sub-group on Household Accounts.

Dr. C.P.S. Nayyar, Senior Consultant, shared the work on the Study of Informal Credit Markets in India with Dr. Arindam Das-Gupta. During the year he conducted surveys in South India of Chit Funds, Nidhis, Finance Corporations, Hire-Purchase Companies and Film Financiers.

Dr. Satya Paul, who joined in March 1988 as a Senior Consultant, is in the Study Team engaged in the project on Postal Finances and Tariff Policy.

Shri P.N. Jhingan, Senior Consultant, took up the work of preparing a Newsletter on State Taxes. He also attended to issues in direct taxes from time to time.

Shri Pawan Aggarwal, Senior Economist, went on study leave during the year. Before proceeding on leave Shri Aggarwal completed a study on the Backward Area Development Allowance (section 80HH) in the Income-tax Act.

Dr. Tapas Sen, Senior Economist, led the team entrusted with the task of setting up the Data Bank on Public Finances and was also coordinator of the study on Taxable Capacity and Tax Effort of the States. Earlier in the year he was engaged in a study on Determinants of Share Prices in India. He was also among the team entrusted with the study on Sales Tax System in Orissa. He delivered a lecture at the Management Development Institute, Gurgaon in the course for senior IES Officers and co-authored three papers, two presented at Centre for Economic Studies, Presidency College, Calcutta, and Shivaji University, Kolhapur, and one presented at the National Seminar on Issues before the Ninth Finance Commission, organised by the Institute.

Dr. Rita Pandey, Senior Economist, undertook a study of the Impact of Section 115J of the Income-tax Act on Company Finances. She also took up a project on Housing as an Industry during the year.

Dr. A.V.L. Narayana, Senior Economist, was the principal researcher in the study of the operation of MODVAT and assisted Dr. Bagchi in the course of two econometric studies. He also presented a paper at the Silver Jubilee Conference of the Indian Econometric Society in Bangalore.

Dr. V.B. Tulasidhar, Senior Economist, was actively associated with two major projects, viz., Comparative Analysis of State Government Expenditures and Study on Taxable Capacity and Tax Efforts of Indian States. He prepared a review of Recent Economic and Social Development in India for the ESCAP Annual Report 1987. Dr. Tulasidhar was one of the co-authors of the background paper prepared for the National Seminar on Issues before the Ninth Finance Commission.

Dr. Gopinath Pradhan, Senior Economist, undertook a study on Trends in Growth of Capital Goods Industry in India under the Ford Foundation supported research programme on Macro-Economic and Industrial Policy. He had earlier, with Dr. Sudipto Mundle, prepared a paper on Capital Goods Industry for the Bureau of Industrial Costs and Prices.

Dr. S. Gopalakrishnan, Economist, completed a study on Entry Tax in West Bengal and took up a new project which attempts to design an information system for selected State taxes in Gujarat. A Working Paper prepared by him earlier was accepted for presentation at the Silver Jubilee Conference of the Indian Econometric Society at Bangalore in January 1988.

Dr. V.S. Renganathan, Economist, took part in organising the training programmes and helped in preparing background material for the trainees. Dr. Renganathan also undertook to update a paper by Dr. Bagchi on Losses of State Enterprises.

Dr. Shekhar Mehta, Economist, was in the study team on Sales Tax System in Orissa and was associated with the study undertaken by the Institute on Sales Tax Potential in Andhra Pradesh. Dr. Mehta also delivered a lecture at JNU as a guest faculty.

Dr. B.C. Purohit, Economist, was included at first in the team working on the Data Bank Cell funded by the Planning Commission. Subsequently he joined the study team on Management of Urban Local Finances in Non-Octroi States. He also assisted in organising one of the sales tax training courses.

Kum. Alka Bajaj, Research Associate (Law), was the co-author of the draft papers on the Model Law of Sales Tax on Works Contract, Hire Purchase and Leasing and also on Model Sales Tax Law. She was one of three-person team assigned the study on Sales Tax Administration in West Bengal, mentioned earlier. She took active part in the programmes of advanced training in Sales Tax Administration.

Kum. Shikha Jha co-authored a study on Inflationary Implications of Resource Mobilisation through Administered Price Increases and took up a study on Incidence of Indirect Taxes. She continued to work at the Indira Gandhi Institute of Development Research, Bombay.

Ms. Kiran Wadhwa, Consultant, completed a study on Role of Private Sector in Urban Housing before joining the National Institute of Urban Affairs, New Delhi, as Associate Professor.

A list of co-academic activities of the Institute's professional staff is given in Annexure III.

SEMINARS AND SYMPOSIA

Among the highlights of the events of the year 1987-88 were two national seminars—one on Issues in Resource Mobilisation for the Plan and the other on Issues before the Ninth Finance Commission.

The Seminar on Issues in Resource Mobilisation was held on April 24-25, 1987 as part of the activities planned to mark the Tenth Anniversary of the Institute. Shri P.N. Haksar, first Chairman of the Institute, presided and Prof. D.T. Lakdawala, who had succeeded Shri Haksar as our Chairman, delivered the inaugural address. Apart from members of the Institute's faculty, scholars of eminence from Delhi School of Economics, Jawaharlal Nehru University, Indian Statistical Institute, Delhi, and also other parts of the country contributed papers and participated. Prof. Raja J. Chelliah, one of the founding Members and first Director of the Institute and currently Member, Planning Commission gave the valedictory address. A background paper was drawn up by Dr. Bagchi, Director, with the assistance of S/Shri K.K. Atri and A.K. Halen. The topics covered comprised Macro issues, Role of Public Sector Enterprises in Resource Mobilisation and Issues in Taxation. The seminar was partly supported by the ICSSR.

The other National Seminar conducted by the Institute during the year took place on February 5 and 6, 1988. Shri N.K.P. Salve, Chairman, Ninth Finance Commission presided over the inaugural function and Prof. D.T. Lakdawala delivered the inaugural address. The seminar was attended by eminent scholars in the field of Federal Finance in India, and several among them contributed papers. Two eminent jurists, Shri K.K. Venugopal and Shri A.G. Noorani, made illuminating presentations on their interpretation of the role of the Finance Commission as envisaged in the Constitution *vis-a-vis* the Planning Commission. While the focus of the seminar was on the interpretation and implications of the Terms of Reference of the Finance Commission, the seminar also debated issues of Norms and Equity, Revenue-sharing, Grants and Problems of States' Indebtedness. A background paper was prepared in the Institute by Dr. Bagchi, Dr. Tapas Sen and Dr. V.B. Tulasidhar. Chairman of the Finance Commission and two of the other members took keen interest in the proceedings and graced the seminar by their presence almost throughout. The Institute received generous financial support from the Finance Commission in holding the seminar. Valuable support was also provided by the ICSSR. The proceedings of the seminar are being edited for publication.

In the programme for providing a forum for Commissioners of Commercial Taxes to discuss subjects of common interest, the Institute held a symposium in October 1987. The theme for discussion was the implications of sales taxation in transactions specified in the 46th Amendment to the Constitution. The basic paper for discussion was a Draft Report on Model Sales Tax Law for States and Union Territories, prepared in the Institute by Shri K. Balasubramanian and Kum. Alka Bajaj.

A seminar was also conducted by the Institute on the Design and Role of Surveys in Income Tax in June 1987, at the instance of the Central Board of Direct Taxes. The aim of the seminar was to

explore scientific methods of broadening the tax base in terms of coverage of income-earning population in order to maximise collections. The seminar was inaugurated by Prof. Raja J. Chelliah. Prof. A.M. Khusro, Chairman of the Institute, presided. It was attended by eminent economists and academicians and senior officers of the Ministry of Finance.

As for in-house seminars, fifteen were held in the year. Several of them were given by visiting professors, scholars and professional economists from India and abroad. (List of seminars and symposia is included in the Annexures).

RESEARCH THEMES OF PROJECTS AND STUDIES

The research themes of the principal projects/studies completed during the year and also of the ongoing ones are given briefly below. (List of projects/studies completed and those in progress is at Annexure I).

1. Evaluation of Selected Incentive Provisions in the Income-tax Act

(i) Backward Area Development Allowance under Section 80HH of the Income-tax Act, 1961

This is the third section of a four-part study on the costs and benefits of selected incentive provisions in the Income-tax Act, sponsored by the Central Board of Direct Taxes. The study examines the efficacy of the Backward Area Development Allowance econometrically, after taking account of the other incentives and changes in industrial licensing policy to promote the development of backward regions of the country.

(ii) Evaluation of Investment Allowance under Section 32A of the Income-tax Act, 1961

This study is an attempt to evaluate the operation of the investment allowance. The study is in two parts. One part provides a review of the incentive provision from the legal and administrative angles. The other part tries to quantify the cost and benefits of the incentive in terms of additional investment resulting from it by deriving an investment function and the revenue forgone by the exchequer.

2. Fiscal Policy for the National Capital Region

Sponsored by the National Capital Region Planning Board, this study examines the tax structure of the States within the National Capital Region, and analyses the built-in incentives/disincentives in the existing tax structure, in the context of balanced development of the region. It also attempts to formulate a new tax structure for the NCR and discusses its policy implications.

3. Entry Tax in West Bengal

This project formed part of a comprehensive study of the major State taxes in West Bengal, entrusted to the Institute by the Government of West Bengal. Objectives of the study on Entry Tax in the State were (i) to examine in detail the existing structure of the tax and suggest suitable modifications that would augment the State's revenues and (ii) to suggest, if felt necessary, a feasible alternative to the existing system of checkpoint-based Entry Tax collection.

4. Studies under the Macro-Economic and Industrial Policy Research Programme

(i) Inflationary Implications of Resource Mobilisation through Administered Price Increases

This study is the first of a new series undertaken by the Institute under a programme of research on Macro-Economic and Industrial Policy in India, for which financial support has been received from the Ford Foundation. The study seeks to predict the inflationary impact of administered price increases within an input-output framework and after taking into account the second order and subsequent effects, viz., increases in wage costs.

(ii) Determinants of Share Prices in India

Study aimed at understanding the behaviour of share prices in India, both over time and across companies. The study was divided into two parts: behaviour of share prices in general over time and behaviour of individual share prices relative to others. While some work on the first part has been completed, work on the second part is in progress. The basic objective in this study is to identify the factors which determine the share prices and their significance in a statistical form.

(iii) Capital Goods Industry in India

The main objective of this study is to analyse the trends in the growth of capital goods industry in India and the underlying factors. One paper has been prepared on this theme and will be followed by more specific studies.

(iv) Profile of Electronics Industry

This study attempts to outline the growth of the electronics industry in India with special reference to the consumer electronics and the components sector.

5. Sales Taxation of Works Contract, Hire purchase and Leasing—Need for a Model Law

The Forty-sixth Amendment to the Constitution widened the concept of sale for purpose of sales taxation. Pursuant to this, many States/Union Territories amended their respective sales tax statutes. It is widely felt that there is some need for a measure of uniformity among the State laws for taxation of works contract, hire purchase and leasing. This study is intended to explore the possibility of such uniformity or suggesting ways for a desirable approach to sales taxation in this area. A preliminary draft of the study has been prepared and is in the process of finalisation.

6. Review of Plan Financing in Kerala During the Sixth Plan

Taken up at the instance of the Planning Commission, the aim of this study is to identify the factors responsible for the shortfall in Plan outlay in Kerala to bring out the difficulties faced by the State in resource mobilisation and controlling revenue expenditures.

7. Sales Tax Administration in West Bengal: Report on Legislative Reform

This report is specially significant as it is for the first time that the Institute was asked to do legislative drafting for a State government. It may be recalled that a report on Administrative Aspects of Sales Taxation in the State was submitted to the State Government in December 1983.

8. Operation of MODVAT

The study seeks to examine: (i) Impact of the MODVAT on costs and prices of manufactured products including exports; (ii) growth of small-scale industry; and (iii) whether the scheme provides a check against evasion of Central excise duty.

9. Comparative Analysis of State Government Expenditures

Sponsored by seven participating State Governments, the basic objective of this project is to analyse trends in government spending and its possible implications on economic and social development. Specifically, the study will examine: (i) the trends in consumption and capital formation expenditure of the Central and State Governments; (ii) possible relationship between the pattern of spending and growth in incomes; (iii) impact of public spending on social development (broadly defined as the achievements in health and education sectors), and (iv) centralisation of public spending.

10. Study on Postal Finances and Tariff Policy

Commissioned by the Committee on Excellence in Postal Services, Ministry of Communications, this project is required to review the existing policy and processes for fixing postal classification and rates and their impact on postal finances, and recommend principles which should govern postal pricing and offer guidelines for fixing rates for specific postal services, keeping in view their impact on postal finances and public interest.

11. Work in the State Finances Unit and Comparative Studies on State Finances

The following tasks are proposed to be undertaken in the State Finances Unit set up during the year:

- (i) To take up studies on various aspects of State Finances and bring out papers from time to time.
- (ii) To bring out a newsletter periodically dealing with State finances and covering both revenues and expenditures. The first issue of the newsletter, which will be devoted to sales tax and profiling the sales tax systems in different States, is under preparation.

12. Distribution of Benefits of Public Expenditure: A Case Study of Andhra Pradesh

This study is designed to estimate the distribution of benefits of public expenditure in Andhra Pradesh among low, middle and high income groups in 1984-85 and compare the same with the position as in 1975-76.

13. ICSSR Project on Distributional Equity and Optimal Prices for the Public Sector

The focus of the study is on (i) Estimation of production and cost structure of a number of industries, e.g., iron and steel, cement, textiles, fertilisers, electricity, oil and gas; and (ii) Computation of optimal prices for these industries.

Earlier work on this project has computed optimal commodity taxes in the presence of commodity rationing.

14. Information System for Selected State Taxes in Gujarat

Commissioned by the Government of Gujarat, the project covers the following State taxes: (i) Profession Tax, (ii) Entertainment Tax, (iii) Electricity Duty, (iv) Stamp Duty and (v) Motor Vehicles, Passengers and Goods Taxes. Objectives of the project are to (i) examine the existing information infrastructure supporting the present administration of individual taxes, (ii) identify the information gaps that currently impede the administration of State taxes and suggest ways in which the deficient information could be collected/generated, and (iii) suggest methods of maintaining an efficient information system for the State taxes.

15. A Study of Sales Tax System in Orissa

Sponsored by the Government of Orissa, this study is required to assess various aspects of the sales tax system in the State, particularly with a view to finding sources of additional revenue and containing tax evasion.

16. Cell on Research in Planning and Development

The primary aim of the Cell which has been funded by the Planning Commission is to compile a ready-to-retrieve data bank on the finances of the Centre and the States in India. After compilation, the data will have to be adjusted to correspond better to economic concepts and made comparable over time and across States. While the revenue side is almost complete except for actual adjustments, work on expenditure side is in progress.

17. Taxable Capacity and Tax Effort of Indian States

Sponsored by the Ninth Finance Commission, the task set for the study is to assess the relative taxable capacity of the States in India and their tax effort, by following the representative tax system approach, identifying the tax bases and computing effective tax rates at a disaggregated level.

18. Management of Urban Local Finances in Non-Octroi States

Sponsored by the Planning Commission, this study seeks to investigate local government fiscal response to the absence of octroi. The financial strategies consist of generating additional revenues from the existing taxes, designing substitutes such as entry tax and/or greater dependence on inter-governmental fiscal transfers. The objective of the study is to examine how far these alternative strategies succeeded in compensating for the absence or abolition of octroi and whether the level of civic services differs significantly between octroi and non-octroi States.

19. Informal Credit

(i) Study on Informal Credit Markets

This study, commissioned by the Asian Development Bank, has two parts. The first part on rural financial credit markets, is being conducted at the Centre for Development Studies, Trivandrum. The NIPFP is carrying out the study for urban informal credit markets, besides being responsible for overall integration of the two parts. The objectives of the study are to assess the size and trends in size of

informal credit markets; their market structures, allocative and distributional role; and impact on monetary policy. The study will also make recommendations for regulation of these markets. The NIPFP team has collected information through field surveys of 11 different sectors of informal financial intermediaries and productive units, besides making use of field surveys carried out in connection with the related study on informal credit being conducted jointly with the State Bank of India. The interim report covering 10 sectors of intermediaries or informal credit users will be submitted in July 1988.

(ii) *NIPFP-State Bank of India Study of Informal Credit Using Sectors*

This study was started in January 1988. While the objectives are similar to those of the study on informal credit markets commissioned by the Asian Development Bank, there is one major difference. The study is designed, in part, to identify gaps in the current level of bank service to various sectors and suggest ways of correcting these deficiencies. Field surveys of six sectors, of which four are completed, are being conducted by State Bank of India officers under the guidance of NIPFP faculty. Draft reports in the case of three sectors have already been prepared at the NIPFP.

20. IDPAD Project

The project is intended to provide a comparative study of agriculture-industry linkages in India and China. It will undertake normative as well as a positive analysis of these linkages for the Indian economy, taking into account its historical antecedents, current infrastructure and in particular the landlord-tenant-labourer nexus. Comparisons with China will bring out the possible changes that should be implemented through governmental policy to increase the agricultural surplus and to strengthen the linkages between the primary and secondary sectors.

21. Tax Treatment of Labour Welfare Trusts

In addition to its primary objective, this study will also go into other aspects of the functioning of these trusts and make recommendations for improvement in areas where they are deficient in meeting the welfare needs of employers/workers in the organised sector.

22. An Economic Evaluation of the District Industries Centres Programme in India

This is a network study sponsored by the Development Commissioner (Small Scale Industries) to evaluate the DIC Programme in the country. This programme was launched in 1978. The study, among its various objectives, focuses on (i) the working of one-roof concept, (ii) the linkages of DIC Programme with various poverty alleviation and other beneficiary-oriented programmes like IRDP and TRYSEM, and (iii) impact of DIC Programme with reference to SEEUY scheme.

23. Housing and Urban Finance Unit: Projects in Progress

(i) *Housing as an Industry*

Recently a demand has been voiced, especially by the private sector, for declaring housing as an industry. This study attempts to examine the rationale and implications of giving industry status to housing, keeping in view the various related problems such as procurement of finance, land and building materials faced by the housing sector in the country.

(ii) *Flow of Funds Analysis in the Housing Sector*

This study attempts to construct a flow of funds chart with a view to ascertaining the net inflow of funds into the housing sector from the formal financial institutions. It also attempts to determine the extent of subsidy by way of soft loans for housing.

(iii) *Housing Finance System for the Urban Poor*

This study attempts to explore form, content and extent of integration of the urban poor into the existing housing finance system. For this purpose the present housing schemes and programmes for the poor with focus on the scrutiny of financial arrangements are being evaluated.

24. Role of Private Sector in Urban Housing—Case Study of Ahmedabad

The aim of the study is to investigate the role of private sector in housing in the context of the greater role of the private sector in future housing programmes in the country. The study was sponsored by HUDCO and was completed in May 1987.

25. Indirect Taxes in India—An Incidence Analysis

Using an input-output matrix and NSS data on consumption expenditure, this study tries to compare the nominal and effective rates of Central excise and import duties and their incidence as between different expenditure groups in the rural and urban sectors. The study also attempts an evaluation of the impact of the MODVAT on the incidence of consumers. A preliminary draft of the study which was initiated at this Institute was prepared by Shikha Jha in collaboration with P.V. Srinivasan at the Indira Gandhi Institute of Development Research, Bombay. The study has been sponsored by the Ministry of Finance.

26. Sales Tax Potential in Andhra Pradesh

The focus of this study, which has been sponsored by the Government of Andhra Pradesh, is on assessing the sales tax potential of the State and evolving a method of revenue forecasting on scientific lines. The study will also examine the merits and costs of the tax incentives and the scope for widening the sales tax base as well as suggest measures for curtailing evasion and trade diversion.

TRAINING PROGRAMMES

A. Advanced Training Course in Sales Tax Administration

The 15th and 16th courses in this series were conducted in May and November, 1987, respectively. The first course was attended by 39 participants and was coordinated by Shri K. Srinivasan, assisted by Shri B.C. Purohit.

The 16th course was held from November 9 to 27, 1987. The course coordinator was Dr. M.C. Purohit, assisted by Dr. V.S. Renganathan. The course drew 32 participants from the commercial taxes/sales tax departments of the States.

These courses are sponsored by the Ministry of Finance, Government of India and are designed to help senior and middle level officers of the sales tax and commercial taxes departments of the States to acquire a basic grounding in the economics of taxation and also to update themselves in developments in the field of law and administration of sales tax. Being residential, the course provides an opportunity for the officers drawn from across the States to exchange notes about their experiences and learn from each other.

B. One-week Refresher Course for IAS Officers

The Institute conducted a one-week refresher course for IAS officers in July 1987. This course is intended to enable participants belonging to various levels of seniority to cut across rigid hierarchical structures and engage in vertical communication among themselves.

Keeping this objective in view, the programme focused on drawing the officers into discourses among themselves on topics of interest in the field of public economics. The programme included lectures by eminent experts giving mostly non-technical overviews on questions of planning, new directions in policy, expenditure control, public sector performance; and some technical sessions on techniques like zero-base budgeting and cost-benefit analysis. More than half the sessions were devoted to workshops undertaken by the participants themselves and library work.

Sponsored by the Department of Personnel and Training, Government of India, the course was attended by 27 participants. It was conducted by Dr. Sudipto Mundle, assisted by Dr. V.S. Renganathan.

C. Fiscal Analysis and Budgetary Planning

This 10-day course, sponsored by the Department of Personnel and Training, Government of India, was held in the latter half of August 1987. The course theme was "Financing Public Expenditure in a Mixed Economy in the Context of Planning."

The course is meant for middle and senior level officers engaged in the analysis of budgetary data and preparation of budgets for the Union and State governments and also those who are or are likely to be associated with policy making in the departments of finance, planning, economics and statistics. It is designed to provide specialised training to enable participants to undertake fiscal analysis in order to plan revenues and expenditures as realistically as possible in the preparation of budgets. Also, it seeks to clarify for participants the nature and dimensions of the fiscal problems facing the country.

The course was conducted by Dr. M. Govinda Rao, assisted by Dr. S. Gopalakrishnan.

D. Fiscal Policy Module for Senior Tax Administrators from Commonwealth Countries

This is a five-day course organised at the instance of the National Academy of Direct Taxes, Nagpur and the Commonwealth Association of Tax Administrators (CATA), London.

The course was held in November 1987 and the Course Director was Dr. K.N. Reddy, Senior Fellow. Besides two participants from India, there were 12 others drawn from Bangladesh, Barbados, Cyprus, Kenya, Malawi, Malaysia, Sierra Leone, Sri Lanka, Swaziland, Tanzania and Western Samoa.

E. In-Service Training Programme in Public Economics for Senior IES Officers

This is one of the mainstream courses undertaken for the first time by the Institute for the benefit of serving officers of the IES with over 14 years work experience. It is sponsored by the Ministry of Finance, Government of India.

The month-long course was held in March-April 1988. It was conducted by Dr. K.N. Reddy. There were 14 participants. The course content was designed to enable the participants to acquaint themselves with current developments in public economics both in theory as well as on the applied side. Lectures were arranged by both faculty members as also eminent scholars from universities and sister institutions on topics ranging from macro-economic foundation of fiscal policy to agricultural taxation, production functions and econometric techniques. Participants were required to write papers on themes of their choice and interact among themselves.

COMPUTER UNIT

New System

During the year a new computer system WIPRO Series 6820 was installed in the Institute. This computer system is based on a 32-bit Motorola Chip MC-68020. The hardware consists of a Mathematical Coprocessor, 4 Megabyte Memory, 760 Megabyte disk storage space, 2400 ft Magnetic tape drive, 60 Megabyte Cartridge tape drive, 1.2 Megabyte Floppy disk drive, 600 lines per minute Line printer, A1-A2 size Plotter, Console, 4 PC/ATS with 1 Megabyte Memory and 2 PCs with 640 Kilobyte Memory and colour Monitors as intelligent Terminals to the System, a 300 characters per second Dot matrix printer and 40 characters per second Letter quality printer. The Computer Unit also acquired software consisting of UNIX System V.2, XENIX and MS-DOS 3.2 Operating Systems, ACCELL and UNIFY Relational data base management systems and the latest Statistical and Econometric software like SORITEC Version 6.3 DATA-FIT, SPSS, SSP, etc.

The system became fully operational during the year. The installation of the new Computer System has added immensely to the productivity of researchers in the Institute as also secretaries and typists who underwent training to operate the system with great enthusiasm.

Appointments

To help operate the System smoothly, two professional programmers were appointed on an ad hoc basis.

Training

Training was provided to members of the Computer Staff in the new operating system UNIX, ACCELL and UNIFY relational data base management systems, GKS graphics package and other software received.

Three training courses were organised in which all the professional staff members in the Institute were trained in the use of PC software like Electronic spread sheet, Data base and Word processing. Training was also provided to the secretaries and typists in the use of text processing packages. Thus, during the year, facilities were created so that all professional, secretarial and accounts staff can make use of the computer system.

Projects

Electronic data processing work was undertaken on the new computer system WIPRO Series 6820 and old HCL System-4 in respect of the projects undertaken by the Institute.

Text processing of reports in respect of the projects and papers submitted in different seminars like the National Seminar on Issues before the Ninth Finance Commission were undertaken by the Computer Unit on the new system.

LIBRARY

New Acquisitions

During the year, 3802 books, reports and other publications and 255 bound journals were accessioned, an increase of 61 per cent over the previous year's accessioning rate. In consequence, the total holdings of the library have crossed the 15000 mark. The collection covers the subjects of Public Finance; Fiscal, Commercial and Monetary Policies; Public Sector Economics; Urban Economics; Industry Studies; Planning and Development; Political Economy; Mathematics and Statistics and Economic History, especially Indian Economic History.

Journal Subscriptions

As a cost and space saving measure it has been decided to subscribe 14 journals on microfiche instead of in hard copies. Microform readers have been installed for the purpose. The total number of journals now subscribed is 156 as indicated below:

	On Microfiche	Hard copies
Foreign journals	14	65
Indian journals	—	77
Total		156

Space for Equipment

To install microform readers, microform reader printer and a computer, a separate cabin has been set up within the library.

Photocopying Facilities

A photocopier (Modi Xerox 1045) was acquired by the Institute during the year. Installed in the library, it has been instrumental in providing much quicker reproduction services (including self service) to library users.

Staff

The staff of the library has been strengthened with the addition of one more Assistant Librarian.

NIPFP Publications

A separate series for NIPFP publications and contributions of staff members other than the Institute's Reports and Working Papers was instituted to ensure that permanent copies of all work done by the staff members are available in the library. Volumes 1 to 8 from 1979-80 to 1986-87 are already on the shelves.

Circulation

This year the Library circulation rules were revised to ensure smoother circulation and encourage timely return of items issued. As a result, the circulation of books/journals has increased and the number of books/journals outstanding has come down.

Information Services

A notable activity of the Library consists of providing information services. NIPFP library prepares a fortnightly indexing list called Library Information Service Phase I which is in its second successive year of issue. It covers three important newspapers and six magazines relating to the Institute's areas of interest.

In addition, Library Information Service Phase II was initiated to provide information about the contents pages of the latest journals received in the library. This is also brought out fortnightly.

Bibliography Services

The Library has started compilation of bibliographies on demand at the request of faculty members.

Training

The Librarian was deputed to attend a course on Computer application to Indexing in Social Sciences conducted by NASSDOC (ICSSR) from 16-22 November, 1987 and to the NISSAT workshop on application of the CDS/ISIS software package during 3-13 May, 1988, held at Madras. He also visited various important libraries in Ahmedabad and Hyderabad to study their functioning with a view to upgrading NIPFP documentation and library services.

Computerisation of Library Services

Computerisation of Library Services is to be taken up in the coming year in a phased manner.

In the first phase, the holdings of the library including books and articles from selected journals will be indexed author-, title-, and subject-wise as well as by keywords, call number and accession number.

Computerisation of in-house jobs like circulation, registration and payment of journals, acquisition, etc. will be taken up subsequently.

NIPFP PUBLICATIONS 1987-88

Three hardbound and one paperback publications were brought out during the year, as follows:

1. *Inflation Accounting and Corporate Taxation*—Tapas K. Sen
2. *Sales Tax System in West Bengal*—A. Bagchi & S.K. Dass
3. *Rural Development Allowance (Sec. 35CC of the IT Act, 1961): A Review* (Paperback)—H.K. Sondhi & J.V.M. Sarma
4. *Sales Tax System in Delhi*—R.J. Chelliah & K.N. Reddy

The Institute has initiated the preliminary work for the proposed publication of a newsletter on sales taxation in the country. The newsletter will attempt to provide information, data and comments on various aspects of sales tax as prevailing in the different States. It is hoped that this would be, in due course, an appropriate vehicle for exchange of views for the Sales Tax Departments in the States and Union Territories.

FINANCE AND ADMINISTRATION

Corporate Membership

As on 31. 3. 1988 the Institute had 15 sponsoring corporate members, six permanent members and 11 ordinary corporate members. The list of members is contained in Annexure VII. During the year Air Headquarters resigned from membership.

Composition of the Governing Body

The list of the members of the Governing Body as on 31. 3. 1988 is given at Annexure VI.

Institute's Building Complex

Tenders for construction of residential quarters were invited and it was decided to award the work to M/s Ahluwalia Contract (India) Pvt. Ltd. who had also constructed the main building of the Institute. Since the Institute applied for a loan from Housing Development Finance Corporation Ltd. (HDFC), the work could not be awarded as it was decided to await the clearance of the loan from HDFC. The loan has since been sanctioned and the work has been awarded in the second week of July 1988. As per the contract, the contractors are required to complete the project within a period of twelve months. It is hoped that the residential quarters will be ready for occupation during the financial year 1989-90.

Grant-in-aid from Government of India

During the year, the Institute received from the Ministry of Finance, Government of India, grants of Rs. 10.00 lakh for meeting its recurring expenditure, Rs 3.00 lakh for strengthening its library, Rs. 5,74,500 for meeting the additional cost resulting from rise in Dearness Allowance and arrears due to pay revision payable to the core staff and a capital grant of Rs 9.00 lakh for upgradation of the computer system. This was in addition to Rs 12.00 lakh received from the Government in the previous year.

Accounts

Accounts of the Institute for the financial year 1987-88 duly audited by the Institute's auditors, M/s Sood Brij and Associates are appended to this report.

Sd/-
Dr. Amaresh Bagchi
Member Secretary

Sd/-
Prof. A.M. Khusro
Chairman

July 27, 1988
New Delhi

ANNEXURE I

LIST OF STUDIES (Completed, Nearing Completion and in Progress) AND WORKING PAPERS PREPARED DURING 1987-88

Title	Sponsor	Author (s)/ Research Team
Studies Completed		
✓ 1. Fiscal Policy for the National Capital Region (May 1987)	NCR Planning Board	M.C. Purohit, Gopinath Pradhan
2. Evaluation of Backward Area Development Allowance (Section 80 HH of the Income-tax Act, 1961) (June 1987)	Central Board of Direct Taxes	Pawan K. Aggarwal, H.K. Sondhi, Diwan Chand
3. Paper on Agriculture-Industry Linkages in the Development Process (July 1987)	Under Indo-Dutch Programme for Alternatives in Development (IDPAD) through ICSSR	Sudipto Mundle
✓ 4. Entry Tax in West Bengal (Part of a comprehensive study on major taxes in West Bengal (July 1987)	Government of West Bengal	S. Gopalakrishnan
✓ 5. (i) Inflationary Implications of Resource Mobilisation through Administered Price Increases (August 1987)	Prepared under a programme of studies on Macro-Economic and Industrial Policy Funded by Ford Foundation	Shikha Jha, Sudipto Mundle
✓ (ii) Determination of Share Prices in India: An Analysis of the Aggregate Time Trend	—do—	Tapas Sen

Annexure I (Contd.)

✓6. Draft Report on Sales Taxation of Works Contracts, Hire Purchase and Leasing: Need for a Model Law (September 1987)	Ministry of Finance	K.N. Balasubramanian, Alka Bajaj
✓7. Review of Plan Financing in Kerala during the Sixth Plan (December 1987)	Planning Commission	A. Bagchi, M.G. Rao
✓8. Study of Investment Allowance (Section 32A of the Income-tax Act, 1961) (December 1987)	Central Board of Direct Taxes	J.V.M. Sarma, H.K. Sondhi
9. Sales Tax Administration in West Bengal: Report on Legislative Reform (February 1988)	Government of West Bengal	K.N. Balasubramanian, S.K. Dass
10. Operation of MODVAT (preliminary report) (February 1988)	Central Board of Excise & Customs	A. Bagchi, A.V.L. Narayana, R.C. Gupta

Studies Nearing Completion

Title	Sponsor
1. Distribution of Benefits of Public Expenditure in Andhra Pradesh	NIPFP
2. Sales Tax System in Orissa	Govt. of Orissa
3. Implications of Sec. 115J of the Income-tax Act, 1961	NIPFP
4. Two papers under the project Comparative Analysis of State Government Expenditures	Participating State Governments
5. Management of Urban Local Finances in Non-Octroi States	Planning Commission
6. Indirect Taxes in India: An Incidence Analysis	Ministry of Finance

Ongoing Studies/Projects

1. Studies under the programme on Macro-Economic and Industrial Policy in India	Continuing series funded by Ford Foundation
i. Determinants of Share Prices in India (Second Part)	

Annexure I (Contd.)

(ii) Capital Goods Industry in India	
(iii) Profile of Electronics Industry	
(iv) Development Process of Indian Telephone Industry	
2. Sales Tax Potential in Andhra Pradesh	Government of Andhra Pradesh
3. Postal Finances and Tariff Policy	Committee for Excellence in Postal Services
4. Data Bank (Cell on Research in Planning and Development)	Planning Commission
5. Agriculture-Industry Linkages in the Development Process	Under IDPAD
6. Taxable Capacity and Tax Effort of Indian States	Finance Commission
7. Informal Credit Markets in India	ADB
(i) Study on Informal Credit Markets	
(ii) NIPFP-SBI Study of Informal Credit Using Sectors	
8. An Econometric Analysis of Price Impact of MODVAT	Central Board of Excise & Customs
9. Comparative Analysis of State Government Expenditures	Participating State Governments
10. Tax Treatment of Labour Welfare Trusts	NIPFP
11. An Economic Evaluation of the District Industries Centres Programme in India	Development Commissioner (Small-Scale) Industries)
12. Distributional Equity and Optimal Prices for the Public Sector	ICSSR
13. Housing and Urban Finance Unit	HDFC
i. Housing as an Industry	
ii. Flow of Funds Analysis in the Housing Sector	
iii. Housing Finance System for the Urban Poor	
iv. Housing Demand—Hedonic Analysis	
14. Information System for Selected State Taxes in Gujarat	Govt. of Gujarat
15. Drafting a Model Sales Tax Law for States	Min. of Finance



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16. State Finances Unit

17. Distribution of Wealth in India

18. Proposals for a Framework of International
System of National Accounts for Developing Countries

WORKING PAPERS

1. On Aggregate Measures of Poverty (June 1987)
2. Fiscal Imbalances in Indian Federalism—Trends and Issues (June 1987)
3. Incentive Effects of Capital Gains and Inheritance Taxes on Inter-State Migration: The Holt and Shelton Analysis Revisited (July 1987)
4. Determination of Share Prices in India: An Analysis of the Aggregate Time Trend (Aug. 1987)
5. Should There be a Capital Gains Tax? (Aug. 1987)
6. Recent Initiatives in Tax Enforcement and Trends in Income Tax Revenue (January 1988)

Annexure I (Contd.)

Participating State
Governments

NIPFP

NIPFP

D.K. Srivastava

M.G. Rao

Martin David,
S. Gopalakrishnan

Tapas Sen

A. Das-Gupta

A. Bagchi

ANNEXURE II

IN - HOUSE SEMINARS

1. Scale Economies as an Explanation of Some Stylised Facts of Growth
(Arvind Panagariya, University of Maryland, USA)
2. Inflation, Growth and Public Sector Pricing Policy
(Prof. V.K. Chetty, ISI, Delhi Centre)
3. Long-Term Interlocked Share and Credit Contracts are Intertemporally Optimal
(Prof. Gautam Bose, Wayne State University, USA)
4. Municipal Financing in Bangladesh
(Dr. Amirul Islam Chaudhury, Jahangirnagar University, Dhaka, Bangladesh)
5. Recent Estimates of US Federal Income Tax Evasion
(Prof. Louis Wild, California Institute of Technology, USA)
6. The Incidence of Taxation in a Growing Economy
(Hiranya Mukhopadhyaya, The Policy Group, New Delhi)
7. Social Choice
(Dr. Satish Jain, Centre for Econ. Studies & Planning, JNU, New Delhi)
8. Changing Physician Immigration in US
(Prof. Vinod Aggarwal, Old Dominion University, Norfolk, Virginia)
9. Issues in Urban Housing and Migration of Population
(Prof. Giorgio Stefani, University of Ferrara, Italy)
10. Management of Urban Local Finances in Non-Octroi States
(Dr. Shyam Nath, Shri B.C. Purohit and Shri Partha Gangopadhyay)
11. Direct Taxes: Canadian Tax Reform
(Maureen Maloney, Faculty of Law, University of Victoria, Canada)
12. Economic Evaluation of People's Participation in the Management of Forest Resources
(Kanchan Chopra, Gopal Kadekodi (IEG) and M.N. Murti)

Annexure II (Contd.)

13. Impact of Restrictive Credit Policy on Trading Activities and Subsequent Interactions between Credit and Commodity Markets
(Partha Gangopadhyay, Hiranya Mukhopadhyay)
14. Rationing and Ramsey Commodity Taxation
(Raghbendra Jha and M.N. Murty)
15. Incidence of Indirect Taxes
(Shikha Jha)

ANNEXURE III

CO-ACADEMIC ACTIVITIES

Dr. A. Bagchi

- a. Worked as Honorary Consultant to Ministry of Finance, Government of India.
- b. Member—Research Advisory Committee, Planning Commission
 - Taxation Enquiry Committee, Maharashtra
 - Resource Group, Gujarat
 - Resource Group, Mizoram
 - CABE Sub-Committee on Housing Needs for Women Teachers
 - Coordination Committee on HUDCO/ODA Survey of Training Needs
- c. Invited by the Government of Kerala to advise on measures for resource mobilisation; visited Trivandrum for the purpose in February 1988.
- d. Gave Seminar on Issues and Problems in Financing of Public Expenditures at Thammasat University, Bangkok, June 1987.
- e. Participated in Seminar on World Development Report, 1986, at Indian Council for Research in International Economic Relations, July 1987.
- f. Delivered Keynote Address at Seminar on Direct Taxes Amendment Bill, FICCI.
- g. Presented paper (co-authored) at Meeting of Indo-GDR Planning Group held at Planning Commission.
- h. Lectured in Management Programme for Senior Executives of State Bank of India, held at Management Development Institute, Gurgaon, September 1987.
- i. Lectured in a course at Direct Taxes Regional Training Institute, Lucknow, November 1987.
- j. Participated in an International Seminar on Financial Relations in Systems of Devolution and Decentralisation dealing with Problems of Ethnic Minorities, Marga Institute, Colombo, December 1987.

Dr. K.N. Reddy

- a. Nominated as an Expert Member to the Board of Studies in Business Economics, Department of Business Economics, Faculty of Commerce, M. S. University of Baroda.
- b. Elected as a Member of Faculty of Commerce of the M.S. University of Baroda.
- c. Guided an ISS Probationer for paper presentation on "Financing Relief Expenditure".
- d. Lectured
 - (i) ISS probationers, ISS, CSO, Government of India
 - (ii) Finance Officers of Universities, NIEPA, New Delhi
 - (iii) Participants of the Senior Management Seminar for Group A Officers of 22-25 years service, National Academy of Direct Taxes, Nagpur.
 - (iv) Staff and Faculty of Department of Business Economics, South Campus, University of Delhi.

Dr. M.C. Purohit

- a. Visited Maison des Sciences de l' Homme, Foundation Reconnue D'utiliti Publique, Paris, under Indo-French Exchange Programme to conduct a study on Structure and Operation of VAT in France.

Dr. M.N. Murty

- a. Gave a Seminar (jointly with two others) on Application of Nash Two-Person Cooperative Games in the Management of Common Property Resources, ISI, New Delhi Centre.
- b. Participated in a Seminar on Social Cost-Benefit Analysis for Transport Projects, Planning Commission.

Dr. Shyam Nath

- a. Lectured students at the Centre for Economic Studies and Planning, JNU, on Local Government Finances.
- b. Participated in a conference on Urban Housing and Transport Policy, organised by CIRIC India and Society for Development Studies at the India International Centre, New Delhi, February 4-5, 1988.

Dr. Arindam Das-Gupta

- a. Presented a paper and participated in ADB-OECD-EWC Conference on Savings Mobilisation through Formal and Informal Sectors, in Honolulu, USA.

Shri K. Srinivasan

- a. Addressed Commonwealth Tax Administrators undergoing training at the National Academy of Direct Taxes, Nagpur.

Shri K.N. Balasubramanian

- a. Delivered Keynote Address in Model Sales Tax Law at a conference of the Federation of Karnataka Chambers of Commerce and Industry, Bangalore.

Dr. Shovan Ray

- a. Lectured post-graduate students at the Centre for Economic Studies and Planning, JNU, New Delhi. Was appointed part-time teacher in JNU for January-May 1988 Semester.

Dr. Tapas Sen

- a. Presented a paper (co-authored) at and participated in a Seminar on "Octroi—Problems and Prospects" at Shivaji University, Kolhapur.
- b. Lectured Senior Officers of Indian Economic Services at a course held at Management Development Institute, Gurgaon.

Dr. A.V.L. Narayana

- a. Obtained Doctorate in Economics from Gujarat University, Ahmedabad.

Dr. Shekhar Mehta

- a. Lectured post-graduate students, JNU, New Delhi.

ANNEXURE IV

ARTICLES, PAPERS AND PUBLICATIONS

1. A. Bagchi

- ✓ "Resource Mobilisation for the Seventh Plan"—paper presented at the National Seminar on Resource Mobilisation for Planning, NIPFP, April 1987.
 - ✓ "Financing Public Sector Development Expenditure in India, Pakistan, Bangladesh, Thailand, Philippines, Indonesia and Nepal"—Overview paper for ADB, since published by ADB.
 - ✓ "Finance and Price Planning for Public Enterprises"—paper presented at the meeting of Indo-GDR Planning Group held at Planning Commission, New Delhi.
 - ✓ "Federal Fiscal Relations: The Indian Experience"—paper presented at an International Seminar on Financial Relations in Systems of Devolution and Decentralisation dealing with Problems of Ethnic Minorities, held at Marga Institute, Colombo, Sri Lanka, December 1987.
- Four papers published in *Economic & Political Weekly*:
- a. ✓ "Recent Initiatives in Tax Enforcement and Trends in Income Tax Revenue" (NIPFP Working Paper 1/88)
 - b. ✓ "Planning for Metropolitan Development: Calcutta's Basic Development Plan, 1966-1986—A Post Mortem"
 - c. ✓ "Sri Lanka's Experiment in Controlled Decentralisation"
 - d. ✓ "Tax Harmonisation: Judicial Initiative".
- ✓ Issues before the Ninth Finance Commission—(co-author) paper presented at the National Seminar on Issues before the Ninth Finance Commission, New Delhi, February 5, 1988.

2. K.N. Reddy

- ✓ "Financing the Seventh Plan", *Financial Express*, June 23-24, 1987.
- ✓ "Inter-State Disparities in Education", *Journal of Educational Planning and Administration*, Vol. 1, Nos. 3 & 4, July, October 1987, National Institute of Educational Planning and Administration, New Delhi.

Annexure IV (Contd.)

- ✓ *Sales Tax System in Delhi* (with R.J. Chelliah), January 1988, NIPFP.

- ✓ "Seventh Five Year Plan—Performance and Perspective"—paper presented at UGC Seminar, Osmania University, Hyderabad, April 23-25, 1987.

- ✓ "Direct Taxes as Tools of Public Finance", Seminar at National Academy of Direct Taxes, Nagpur, October 6, 1987.

3. M.C. Purohit

- ✓ "Recent Developments in Indian Sales Tax System", Note submitted to Sales Tax Committee of the National Tax Association, November 9, 1988.
- ✓ *Structure and Administration of Sales Taxation in India*, Reliance Publishing House, New Delhi.
- ✓ "Taxation of Contracts for Work—Policy Imperatives for a Sales Tax System in a Developing Country", *Bulletin for International Fiscal Documentation*, January 1988.

4. Shyam Nath

- ✓ "State Fiscal Responses to External Aid for Plan Projects under the Concept of Additionality", Seminar on Issues in Resource Mobilisation for Planning, April 24-25, 1987, held at NIPFP, New Delhi
- ✓ "Is Residential Property Tax Equitable? A Case Study of Calcutta", *Economic and Political Weekly*, July 18, 1987.
- ✓ "Replacing Octroi: A Look at Alternatives", *Economic Times*, July 10, 1987.
- ✓ "Rent Control Policy and Urban Housing", Conference on Urban Housing and Transport Policy organised jointly by CIRIC India and Society for Development Studies, at India International Centre, February 4-5, 1988.
- ✓ "An Alternative to Octroi", Seminar on Octroi: Problems and Prospects, sponsored by the UGC held at Shivaji University, Kolhapur, February 24-26, 1988.

5. Arindam Das-Gupta

- ✓ "Some Notes on Formal and Informal Sector Savings Mobilisation in India"—paper presented at ADB-OECD-EWC Conference on Savings Mobilisation through Formal and Informal Sectors, Honolulu, USA, June 1987.
- ✓ "The Distortionary Impact of Capital Gains Taxation in India"—(co-author) presented at the Silver Jubilee Conference of the Indian Econometric Society, Bangalore, January 4-6, 1988.
- ✓ "Should there be a Capital Gains Tax?"—presented at above conference (NIPFP Working Paper 33, 1987)
- ✓ "Fiscal Defiance versus Tax Evasion"—(co-author) presented at the Second Annual Conference, Presidency College, Calcutta, March 1988.

6. K.N. Balasubramanian

- ✓ "Casting the Net of Tax Deduction Too Wide—Proposals in Finance Bill, 1987", *Tax Net*, May, 1987.
- ✓ "Is Tangible Property Liable to Tax?", *Current Tax Reporter*, August 21, 1987.

Annexure IV (Contd.)

- ✓"Taxation of Services" (co-author), *Chartered Secretary*, September 1987.
- ✓"Gambling and Racing Losses—Whether can be set off against other income", *Current Tax Reporter*, November 6, 1987.
- ✓"Expenditure Tax—Old Wine in New Bottle", *Economic Times*, November 7, 1987.
- ✓"Is the Expenditure Tax 1987 Constitutionally Valid?", *Taxation*, December 1987.
- ✓"Central Budget 1988-89: Proposals Relating to Direct Taxes", *Taxation*, March 1988.
- ✓"The New Approach to the Taxation of Firms and Associations", *Taxation*, January 1988.
- ✓"Invalidating Returns Below Taxable Limit: A Purposeless Complication", *Current Tax Reporter*.
7. **K. Srinivasan**
- ✓"Tax Treatment of Foreign Entities Engaged in Business Activities in India"—presented at the South East Asian Regional Conference of the International Fiscal Association, February 1, 1988.
- ✓"Direct Tax Potential and Legislative Action Required to Counteract Tax Evasion"—Paper submitted to Ninth Finance Commission, March, 1988.
8. **Tapas Sen**
- ✓"Reducing Government Controls: Who'll Bell the Cat?", *Fortune India*, September, 1987.
- ✓"An Alternative to Octroi" (co-author)—paper presented at Seminar on "Octroi: Problems and Prospects", Shivaji University, Kolhapur, February 1988.
- ✓"Fiscal Defiance and Tax Evasion", (co-author), paper presented at the Annual Conference at Centre for Economic Studies, Presidency College, Calcutta, March 1988.
9. **Rita Pandey**
- ✓"Taxes as Cost of Capital", *Economic and Political Weekly*, September 12, 1987.
10. **A.V.L. Narayana**
- ✓"Export Demand and Supply Elasticities for Selected Industrial Countries, 1970-1983" (co-author), paper presented at Silver Jubilee Conference of the Indian Econometric Society, Bangalore, January 1988.
11. **V.B. Tulasidhar**
- ✓"Review of Recent Economic and Social Development in India"—paper prepared for the ESCAP Annual Report 1987.
12. **S. Gopalakrishnan**
- ✓"Indian Irrigation: Burden of Implicit Subsidy", *The Economic Times*, September 17, 1987.
13. **B.C. Purohit**
- ✓"Firm Size and Saving Behaviour: A Study of Selected Indian Engineering Firms", *Indian Economic Review*, Vol. XXIII, No. 1, January-June 1988.

Annexure IV (Contd.)

- ✓"Corporate Performance 1970-83; Disturbing Trends", *Fortune India Classics*, Annual Number 1987-88.
14. **Alka Bajaj**
- ✓"Taxation of Services" (co-author), *Chartered Secretary*, September 1987.
- ✓"Analytical Study of Amendments to Appeal Provisions", *Taxation*, Vol. 88, No. 3, 1988.
15. **Partha Gangopadhyay**
- ✓"The Urban Local Body as an Arbiter of Class Conflict": presented at seminar of Indian Econometric Society at Delhi School of Economics.
16. **R.K. Sharma, Librarian**
- University of Delhi Research in Library and Information Science: A Bibliographical Survey—published jointly by Department of Library and Information Science, University of Delhi and NASSDOC (ICSSR), New Delhi,
- Research work at post-graduate level in Library and Information Science: Dissertation Study of DU and PU—published in *Annals of Library Science and Documentation*, 1987 34 (3), 119-124.

ANNEXURE V

LIST OF INSTITUTE'S PUBLICATIONS

1. Incidence of Indirect Taxation in India 1973-74
(1978)
- *2. Trends and Issues in Indian Federal Finance
(1981) Allied Publishers
- *3. Sales Tax System in Bihar
(1981) Somaiya Publications
4. Incidence of Indirect Taxation in India 1973-74
(Hindi version) (1981)
- *5. Measurement of Tax Effort of State Governments 1973-76
(1982) Somaiya Publications
6. Impact of the Personal Income Tax
(1982)
7. Resource Mobilisation in the Private Corporate Sector
(1982)
8. Fiscal Incentives and Corporate Tax Saving
(1983)
9. Tax Treatment of Private Trusts
(1983)
10. Central Government Expenditure: Growth, Structure and Impact
(1984)
11. Entry Tax as an Alternative to Octroi
(1984)
12. Information System and Evasion of Sales Tax in Tamil Nadu
(1984)

Annexure V (Contd.)

13. Evasion of Excise Duties in India : Studies of Copper, Plastics and Cotton Textile Fabrics
(1986)
14. Aspects of the Black Economy in India
(1986) Reprint Edition
15. Inflation Accounting and Corporate Taxation
(1987)
16. Sales Tax System in West Bengal
(1987)
17. Rural Development Allowance (Section 35CC of the Income-tax Act, 1961)
A Review (Paperback) (1988)
18. Sales Tax System in Delhi
(1988)

* Published externally.

ANNEXURE VI

GOVERNING BODY AS ON MARCH 31, 1988

- | | |
|--|----------|
| 1. Prof. A.M. Khusro
B-218 Chittranjan Park
New Delhi-110019 | Chairman |
| 2. Shri D. Bandyopadhyay
Secretary (Revenue)
Ministry of Finance
Government of India
North Block
New Delhi-110001 | Member |
| 3. Shri S. Venkitaramanan
Finance Secretary
Ministry of Finance
Government of India
North Block
New Delhi-110001 | Member |
| 4. Shri S.R.K. Rao
Principal Adviser
Reserve Bank of India
Bombay | Member |
| 5. Shri J.S. Baijal
Secretary
Planning Commission
Government of India
Yojna Bhavan, Sansad Marg
New Delhi-110001 | Member |
| 6. Shri Ashok Jha, IAS
Finance Secretary
Government of Andhra Pradesh
Secretariat Building
Hyderabad | Member |

Annexure VI (Contd.)

- | | |
|---|--------|
| 7. Shri M. Shankaranarayan
Finance Secretary & Commissioner
Government of Karnataka
Vidhan Soudha
Bangalore | Member |
| 8. Shri S.N. Ray
Finance Secretary
Government of West Bengal
Writers Building
Calcutta | Member |
| 9. Shri N. Vaghul
Chairman & Managing Director
ICICI
163 Backbay Reclamation
Bombay | Member |
| 10. Shri M.K. Kumar
President
ASSOCHAM
17 Parliament Street
New Delhi-110001 | Member |
| 11. Shri Haja Shareef
President
FICCI
Tansen Marg
New Delhi-110001 | Member |
| 12. Prof. I.S. Gulati
Vice-Chairman
State Planning Board
Rajalakshmi Buildings
Pattom
Trivandrum | Member |
| 13. Dr. R.J. Chelliah
Member
Planning Commission
Government of India
Yojana Bhavan
Sansad Marg
New Delhi-110001 | Member |

Annexure VI (Contd.)

- | | |
|---|------------------|
| 14. Shri I.Z. Bhatt
Director General
National Council of Applied Economic Research
Parisila Bhavan
11 Indraprastha Estate
New Delhi-110002 | Member |
| 15. Prof. M.K. Rakshit
Centre for Economic Studies
Presidency College
College Street
Calcutta-700073 | Member |
| 16. Prof. D.T. Lakdawala
Centre for Monitoring Indian Economy
110-120 Kaliandas Udyog Bhavan
Near Century Bazar, Worli
Bombay | Member |
| 17. Dr. B.K. Madan
B-100 Greater Kailash Part-I
New Delhi-110048 | Member |
| 18. Dr. K.N. Reddy
Senior Fellow
NIPFP
New Delhi-110067 | Member |
| 19. Dr. A. Bagchi
Director
NIPFP
New Delhi-110067 | Member-Secretary |

ANNEXURE VII

**LIST OF SPONSORING CORPORATE, PERMANENT AND
ORDINARY MEMBERS AS ON MARCH 31, 1988**

A. Sponsoring Members

States

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

Others

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

B. Permanent Members

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

Annexure VII (Contd.)

C. Ordinary Members

States/Union Territories

1. Haryana
2. Jammu and Kashmir*
3. Pondicherry†
4. Sikkim**
5. Tripura†

Public Sector Banks

1. Indian Bank†
2. Syndicate Bank
3. Canara Bank‡

Others

1. Hindustan Lever Ltd.
2. Bennett Coleman & Co. Ltd.
3. Escorts Ltd.‡

* Subscription due since 1984-85

** Subscription due since 1985-86

† Subscription due since 1987-88

‡ Subscription due since 1986-87

ANNEXURE VIII

LIST OF STAFF MEMBERS DURING 1987-88

Sl. No.	Name	Academic Qualifications	Designation
Professional			
1.	A. Bagchi	M.A., Ph. D.	Director
2.	K.N. Reddy	M.A., Ph. D.	Senior Fellow
3.	S. Mundle	M A., Ph. D.	Senior Fellow (on deputation w.e.f. 8.9.87)
4.	M.C. Purohit	M.A., Ph. D.	Senior Fellow (on leave w.e.f. 1.2.88)
5.	M.G. Rao	M.A., Ph. D.	Senior Fellow (on deputation w.e.f. 14.10.87)
6.	D.B. Gupta	M.A., Ph. D.	Senior Fellow (joined on 1.10.87)
7.	M.N. Murty	M.A., Ph. D.	Senior Fellow (joined on 1.1.88)
8.	Ragbendra Jha	M.A., Ph. D.	Senior Fellow (joined on 15.3.88)
9.	Shyam Nath	M.A., Ph. D.	Fellow
10.	Madhur Srinivas	M.A., Ph. D.	Fellow (left on 19.6.87)
11.	A. Das-Gupta	M.A., Ph. D.	Fellow (w.e.f. 1.12.87)
12.	J.V.M. Sarma	M.A., Ph. D.	Fellow (w.e.f. 8.12.87)
13.	K. Srinivasan	B.A. (Hons)	Senior Consultant
14.	K.N. Balasubramanian	M.A., LL.B.	Senior Consultant
15.	C.P.S. Nayyar	M.A., Ph. D.	Senior Consultant

Annexure VIII (Contd.)

Sl. No.	Name	Academic Qualifications	Designation
16.	Shovan Ray	M.A., Ph. D.	Senior Consultant (joined on 6.11.87)
17.	Uma Datta Roy Choudhary	M.A.	Senior Consultant (joined on 11.2.88)
18.	P.N. Jhingon	M.A.	Senior Consultant (joined on 12.2.88)
19.	Satya Paul	M.A., Ph. D.	Senior Consultant (joined on 15.3.88)
20.	P.K. Aggarwal	M.Sc.	Senior Economist (on study leave w.e.f. 15.6.87)
21.	Tapas Sen	M.A., Ph. D.	Senior Economist
22.	Rita Pandey	M.A., Ph. D.	Senior Economist
23.	A.V.L. Narayana	M.A., Ph. D.	Senior Economist
24.	V.B. Tulasidhar	M.A., Ph. D.	Senior Economist
25.	Gopinath Pradhan	M.A., Ph. D.	Senior Economist
26.	V.S. Renganathan	M.A., Ph. D.	Economist
27.	S. Gopalakrishnan	M.A., Ph. D.	Economist
28.	Shekhar Mehta	M.A., Ph. D.	Economist
29.	B.C. Purohit	M.A.	Economist
30.	Shikha Jha	M.A.	Economist (left on 30.11.87)
31.	Alka Bajaj	B.Sc., LL.M.	Research Associate (Law) (joined on 6.8.87)
32.	Kiran Wadhwa	M.A., Ph. D.	Consultant (left on 7.6.87)
33.	S. Sudhakar	M.A.	Consultant (left on 30.9.87)
34.	Madhumati Dutta	M.A.	Consultant
35.	Sai Kumar	M.A.	Consultant (left on 30.4.87)
36.	R.C. Gupta	M.A.	Consultant
37.	P.L.N. Raju	M.A.	Consultant (joined on 29.9.87)
38.	Arun Kashyap	M.A.	Consultant (joined on 15.1.88)
39.	Partha Gangopadhyay	M.A.	Consultant (joined on 11.9.87)
40.	H. Mukhopadhyay	M. Phil.	Consultant (joined on 1.1.88)
41.	Sadhna Marwaha	B. Sc., M.B.A.	Consultant (left on 22.11.87)
42.	S. Bandopadhyay	M.A.	Consultant (left on 7.7.87)

Annexure VIII (Contd.)

Sl. No.	Name	Academic Qualifications	Designation
43.	S. Raiguru	M.A.	Consultant
44.	S. Radhakrishnan	M.A.	Consultant (left on 30.12.87)
45.	C. Cecil	M.A.	Editor (part-time)
46.	Vijaya Devi	M.A.	Research Assistant
47.	Sujata Dutta	M.A.	Research Assistant
48.	O.P. Bohra	M.A.	Research Assistant
49.	Gautam Naresh	M.A.	Research Assistant (on study leave w.e.f. 3.3.86)
50.	Diwan Chand	M.A.	Research Assistant
Computer			
1.	K.K. Atri		EDP Manager
2.	A.K. Halen		Programmer
3.	Gita Bhatnagar		Assistant Computer Operations
4.	K.R. Subramanian		Assistant Computer Operations
5.	Jagdish Arya		Assistant Computer Operations
Library			
1.	H.K. Paruthi		Librarian (left on 3.5.87)
2.	R.K. Sharma		Librarian
3.	Mrs. Shashi Gupta		Assistant Librarian
4.	Mrs. Sudha Saxena		Sr. Library Assistant
5.	P.C. Upadhyay		Sr. Library Attendant
6.	Dharamvir		Attendant
Administration			
1.	J.K. Jain		Administrative Officer
2.	S.C. Tandon		Special Assistant
3.	Mrs. A. David		PS to Director
4.	Mrs. Sushila		Stenographer (Sl. Grade) on deputation w.e.f. 25.9.87
5.	Naveen Bhalla		Sr. Admn. Assistant
6.	N. Natarajan		Stenographer Grade-I (Production-in-Charge)
7.	Mrs. H. Gautam		Accountant
8.	Shri Bhagwan Maan		Stenographer Grade-I
9.	Hari Shankar		Administrative Assistant
10.	R. Parameswaran		Stenographer Grade-II

Annexure VIII (Contd.)

Sl. No.	Name	Designation
11.	R. Periannan	Stenographer Grade-II (on deputation w.e.f. 6.8.87)
12.	Satish Prabhu	Accounts Assistant
13.	R.S. Tyagi	Stenographer Grade-II
14.	Praveen Kumar	Stenographer Grade-II
15.	S.C. Sharma	Maintenance Assistant
16.	Kulwant Singh	Clerk-cum-Travel Assistant (under suspension)
17.	Indra Hassija	Tel. Operator-cum-Receptionist
18.	Anil Kumar Sharma	Steno-Typist
19.	Bhaskar Mukherjee	Clerk (Accounts)
20.	Parvindar Kapoor	Steno-Typist
21.	S.N. Sharma	Clerk
22.	J.S. Rawat	Clerk-Typist
23.	P. Sreedharan	Driver
24.	H.B. Pande	Gestetner Operator
25.	Nand Ram	Gestetner Operator
26.	Devi Singh	Hostel Attendant
27.	Dhanpat	Hostel Attendant
28.	Lal Bahadur	Watchman
29.	K. George	Messenger
30.	S.S. Tiwari	Messenger
31.	Hira Singh	Messenger
32.	Raju	Messenger
33.	Jokhan Maurya	Gardener
34.	Priyaswamy	Gardener
35.	Shiv Bahadur	Gardener

ANNEXURE IX

NIPFP : ACCOUNTS

SOOD BRIJ & ASSOCIATES
Chartered Accountants
NEW DELHI

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, 1988 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 statement 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 1988; and
- (ii) In the case of the Income and Expenditure Statement of the deficit for the year ended 31st March, 1988.

For SOOD BRIJ & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
B.M. GUPTA
Partner

Place : NEW DELHI
Dated : 27th July, 1988

STATEMENT OF FINANCIAL POSITION

Schedule		As on 31st March	
		1988 (Rs.)	1987 (Rs.)
SOURCES OF FUNDS			
CAPITAL AND OTHER FUNDS	A	1,58,33,452	1,44,02,405
RESERVES	B	25,000	2,39,833
CURRENT LIABILITIES	C	33,86,251	16,81,533
TOTAL		1,92,44,703	1,63,23,771
APPLICATION OF FUNDS			
FIXED ASSETS	D	71,77,624	65,88,373
INVESTMENTS	E	61,32,500	65,07,500
CURRENT ASSETS	F	52,72,645	26,17,937
INCOME AND EXPENDITURE A/C	—	6,61,934	6,09,961
NOTES ON ACCOUNTS	G	—	—
TOTAL		1,92,44,703	1,63,23,771

The Schedules referred above form integral part of this statement.

Sd/-
MR. J.K. JAIN
Administrative Officer

Sd/-
DR. A. BAGCHI
Director

Sd/-
DR. A.M. KHUSRO
Chairman

As per our Report of even date
For SOOD BRIJ & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
B.M. GUPTA
Partner

Place : NEW DELHI
Dated : July 27, 1988

INCOME AND EXPENDITURE STATEMENT

INCOME

	Year Ended 31st March			
	1988		1987	
	Rs.		Rs.	
Grant-in-Aid				
—Recurring Grant	10,00,000	10,00,000		
—Library Grant	3,00,000	3,00,000		
—A.D.A. Grant	2,04,947	2,43,249		
—Pay Revision Difference	3,69,553	18,74,500	—	15,43,249
Corporate Membership Fees	20,000		18,000	
Project Fees	23,25,876		17,00,330	
Courses & Programme Fee	4,97,662		2,95,700	
ICSSR Fellowship Grant	75,273		63,889	
Reserve Bank of India Grant	74,635		1,24,952	
Cell on Data Bank	2,47,595		—	
Ford Foundation Grant	2,89,405		—	
HDFC Unit	58,318		—	
Interest on Investment				
—Endowment Fund	5,02,274	5,10,175		
—Scientific Research Fund	85,455	1,00,873		
—Life Membership Fund	10,000	10,000		
—Other Investments	3,625	6,01,354	3,625	6,24,673
Accretion to Stock of Publications	50,457		7,751	
Recoveries	77,104		11,116	
Sale of Publications	22,065		45,576	
Royalty on Publications	363		306	
Miscellaneous Income	77,469		7,167	
Excess Provision of previous year written back	3,997		2	
Profit on sale of car	25,117		—	
TOTAL	63,21,190		44,42,711	

EXPENDITURE

	Year Ended 31st March	
	1988	1987
	Rs.	Rs.
Salaries & Staff Benefits (including Rs. 1,55,030 paid as Employer's contribution towards Provident Fund, Previous year Rs. 59,262)	27,92,563	24,12,110
Rent, Rates, Taxes	50,359	85,376
Water & Electricity	1,17,773	76,482
Printing & Stationery	1,89,731	84,173
Postage, Telegram & Telephone	99,933	70,410
Repairs & Maintenance	3,31,624	2,60,204
Travelling & Conveyance	2,32,770	1,17,571
Car Expenses	27,162	32,687
Books & Periodicals	3,15,373	3,37,768
Cost of Publications	53,730	24,389
Course & Programme Expenses	2,91,601	1,55,442
Expenses on RBI Unit	74,635	1,24,952
Expenses on HDFC Unit	58,318	—
Expenses on Data Bank	2,35,805	—
Expenses on Ford Foundation Project	2,89,405	—
Expenses on ICSSR Fellowship	75,273	63,889
Interest on Bank Overdraft	869	5,650
Audit Fee	3,500	4,000
Depreciation	4,52,880	3,13,383
Miscellaneous Expenses	1,16,621	1,65,158
Transfer to		
—Capital Fund for Cost of Additions to Fixed Assets	4,79,357	1,35,917
Loss on Assets Sold/Discarded	18,341	128
Adjustments Relating to Previous Year		
—Project Fees	38,010	
—Publication Debtors	26,100	
Balance c/o	63,71,733	44,69,689

EXPENDITURE

	Year Ended on 31st March	
	1988 Rs.	1987 Rs.
Balance Brought Forward	63,71,733	44,69,689
Amounts written off		
—Sundry Debtors	869	1,604
—Advances to Staff	—	1,815
—Publication Debtors	91	—
—Hostel Debtors	470	3,419
TOTAL	63,73,163	44,73,108
Deficit for the year	51,973	30,397
Previous Deficit	6,09,961	5,79,564
TOTAL DEFICIT. . .	6,61,934	6,09,961

Notes on Accounts—SCHEDULE 'G'

The Schedule referred above forms intergral part of this Statement.

Sd/-
Mr. J.K. JAIN
Administrative Officer

Sd/-
Dr. A. BAGCHI
Director

Sd/-
Dr. A.M. KHUSRO
Chairman

As per our Report of even date
For SOOD BRIJ & ASSOCIATES
CHARTERED ACCOUNTANTS

Place: New Delhi
Date: July 27, 1988

Sd/-
BRIJ MOHAN GUPTA
Partner

SCHEDULE 'A'**CAPITAL & OTHER FUND**

	As on 31st March	
	1988 Rs.	1987 Rs.
CAPITAL FUND		
Last Balance	69,06,541	67,70,624
Add: Cost of Fixed Assets acquired during the year		
—From General Fund	4,79,357	
—From Computer Fund	5,84,462	
	79,70,360	1,35,917
ENDOWMENT FUND	48,00,000	48,00,000
LIFE MEMBERSHIP FUND	1,20,000	1,20,000
SCIENTIFIC RESEARCH FUND	7,67,500	7,67,500
BUILDING FUND		
Last Balance	6,01,098	5,75,000
Add: Interest for the year	39,456	26,098
	6,40,554	6,01,098
COMPUTER FUND		
Last Balance	12,07,266	—
Add: Grant received during the year	9,00,000	12,00,000
Add: Interest for the year	12,234	7,266
	21,19,500	12,07,266
Less: Amount transferred to Capital Fund towards Expenditure during the year	5,84,462	15,35,038
TOTAL	1,58,33,452	1,44,02,405

RESERVES

CONTINGENCY RESERVE

Last Balance

GRATUITY RESERVE

Last Balance

Add: Receipts

Less:

Payments during the year

Transferred to Fund

TOTAL

CURRENT LIABILITIES

Unutilised Grants Including Project

Fee and Ford Foundation Grant
received in advance

Sundry Creditors

Security Deposits

TOTAL

SCHEDULE 'B'

As on 31st March

	1988 Rs.	1987 Rs.
CONTINGENCY RESERVE		
Last Balance	25,000	25,000
GRATUITY RESERVE		
Last Balance	2,14,833	2,28,957
Add: Receipts	—	7,588
	2,14,833	2,36,545
Less:		
Payments during the year	24,722	
Transferred to Fund	1,90,111	2,14,833
	—	21,712
TOTAL	25,000	2,39,833

SCHEDULE 'C'

As on 31st March

	1988 Rs.	1987 Rs.
Unutilised Grants Including Project		
Fee and Ford Foundation Grant		
received in advance	19,35,523	8,03,796
Sundry Creditors	13,35,663	8,66,237
Security Deposits	1,15,065	11,500
TOTAL	33,86,251	16,81,533

SCHEDULE 'D'

FIXED ASSETS AS AT 31ST MARCH, 1988

Description	Gross Block at Cost				Total	Rate	Depreciation		Total	Written Down Values	
	As at April 1, 1987	Addition during the year	Sale/ Adjust- ments	March 31, 1987			For the year	Sale/ Adjust- ments		1988	1987
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Leasehold Land	6,38,753	—	—	6,38,753	—	—	—	—	—	6,38,753	6,38,753
Building	55,51,182	11,224	—	55,62,406	2.5%	6,45,615	1,22,920	—	7,68,535	47,93,871	49,05,567
Data Processing											
Equipment	10,09,846	4,34,455	—	14,44,301	20.0%	6,64,864	1,55,887	—	8,20,751	6,23,550	3,44,982
Office Equipment	3,31,723	1,89,508	1,14,187	4,07,044	15.0%	2,17,162	41,003	83,469	1,74,696	2,32,348	1,14,561
Furniture and											
Fixture	5,00,636	1,07,388	1,387	6,06,637	10.0%	2,07,590	39,995	900	2,46,685	3,59,952	2,93,046
Hostel, Library, Computer and Seminar Room											
Furniture	2,90,306	85,478	2,278	3,73,506	15.0%	1,38,937	35,372	1,247	1,73,062	2,00,444	1,51,369
Air-Conditioners & Water Coolers	1,85,049	1,26,965	—	3,12,014	15.0%	96,422	32,339	—	1,28,761	1,83,253	88,627
Electrical Inst- allations	70,386	12,921	1,358	81,949	10.0%	23,754	5,845	258	29,341	52,608	46,632
Vehicles	29,977	95,880	29,677	96,180	20.0%	27,402	19,181	27,128	19,455	76,725	2,575
Horticulture											
Equipment	4,627	—	—	4,627	15.0%	2,574	308	—	2,882	1,745	2,053
Library Books	1,098	—	27	1,071	15.0%	890	30	21	899	172	208
TOTAL	86,13,583	10,63,819	1,48,914	95,28,488		20,25,210	4,52,880	1,13,023	23,65,067	71,63,421	65,88,373
Building work-in- Progress	—	—	—	—	—	—	—	—	—	14,203	
Previous Year	84,18,608	1,95,445	470	85,13,583		17,12,168	3,13,383	342	20,25,210	65,88,373	67,06,439
										71,77,624	

SCHEDULE 'E'

			As on 31st March	
			1988	1987
			Rs.	Rs.
INVESTMENTS				
(In Fixed Deposits)	With Public Sector Banks	With Public Limited Companies		
ENDOWMENT FUND	11,00,000 (13,00,000)	28,15,000 (26,15,000)	39,15,000	39,15,000
SCIENTIFIC RESEARCH FUND	4,92,500 (1,92,500)	2,00,000 (5,00,000)	6,92,500	6,92,500
LIFE MEMBERSHIP FUND	1,00,000 (1,00,000)	—	1,00,000	1,00,000
OTHER (CONTINGENCY)		25,000 (25,000)	25,000	25,000
COMPUTER FUND	— (12,00,000)	—	—	12,00,000
BUILDING FUND	2,00,000 (5,75,000)	—	2,00,000	5,75,000
FORD FOUNDATION GRANT	8,00,000	4,00,000	12,00,000	
TOTAL			<u>61,32,500</u>	<u>65,07,500</u>

SCHEDULE 'F'

CURRENT ASSETS

	As on 31st March	
	1988	1987
	Rs.	Rs.
STOCK OF PUBLICATIONS (At Cost)	1,07,626	57,169
SUNDRY DEBTORS	3,15,002	1,30,211
CASH AND BANK BALANCE		
—Cash in Hand	380	706
—Postage Imprest	1,258	2,976
—In Current/Saving Accounts with banks	22,61,422	8,84,309
ADVANCES AND DEPOSITS		
—Interest Accrued on Investments	1,59,535	1,31,688
—Project Fee Accrued	19,55,883	9,38,478
—Advances	3,39,650	3,52,637
—Loans and Advances to Staff	20,386	17,927
—Prepaid Expenses	20,952	19,679
—Security Deposits	90,551	82,156
TOTAL	<u>52,72,645</u>	<u>26,17,936</u>

SCHEDULE 'G'

NOTES ON ACCOUNTS

1. Gratuity Liability: Institute created a Gratuity Fund during the year 1986-87 to which the Funds were transferred during the year on the basis of actuarial valuation. Approval of the Fund by the Income Tax Department is awaited.
2. Contingent Liability:
 - (i) General property tax claimed by the Delhi Municipal Corporation, pending decision of the appellate court not acknowledged as debt by the Institute, amount to Rs. 15,62,623 (previous year Rs. 13,05,423). Other taxes imposed by the Corporation amounting to Rs. 4,27,257 (previous year Rs. 3,06,937) have further not been provided in the books of account for the same reason.
 - (ii) Liability in respect of labour matters pending decision of the court is indeterminate.
3. Contracts remaining unexecuted on capital account Rs. 7,87,150 (Previous year Rs. 7,87,150).
4. During the financial year 1986-87 an advance of Rs. 3,37,350 was given to M/s Wipro Information Technology Ltd., for purchase of computer system Wipro Series 6820. The system was commissioned towards end of the current Financial year. However, at the time of hand over it was observed that some of the software was not supplied by the company. As a result the system has not become functional during the year. Cost of the system has thus not been capitalised during the year 1987-88.
5. Receipts for term deposits held with banks amounting to Rs. 11.00 lakhs are pledged in order to avail overdraft facilities from respective banks.
6. The Management of the Institute confirms that utilisation/appropriation of grants received from the Governments and other bodies as taken in accounts is in conformity with the terms of their function.
7. Corporate Membership Fees are accounted on receipts basis.
8. Interest earnings on investment of Building Fund, Computer Fund and Ford Foundation Grant for project studies is being credited to respective Funds/Grants. Interest earnings during the year on such investments amounted to Rs. 1,26,940 (Previous year Rs. 33,364/-).

9. Advance given to employees for expenses and leave travel concession are adjusted only on receipt of the Bills.
10. Previous year figures have been re-arranged, wherever considered to make them comparable.

Signature to Schedules 'A' to 'G'.

Sd/-
Mr. J.K. JAIN
Administrative Officer

Sd/-
Dr. A. BAGCHI
Director

Sd/-
Dr. A.M. KHUSRO
Chairman

For SOOD BRIJ & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
BRIJ MOHAN GUPTA
Partner

Place: New Delhi
Dated: July 27, 1988