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NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY
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Annual Report 1997-98

I. Overview

The National Institute of Public Finance and Policy (NIPFP), in the twenty-first year of its operation, continued to fulfil its mission by conducting research and consultancy work on public policy issues, organising conferences, seminars and discussions, and training personnel at various levels of governments.

The year 1997-98 saw completion of nine studies, while another twenty one are in progress. Members of the academic staff also brought out four working papers (Annexure-I). In addition, five studies were published during the course of the year.

The NIPFP faculty members rendered their expertise in various spheres of public economics by chairing or serving as members of national and state level commissions, academic bodies, and professional associations. They interacted with the academia globally, attended conferences and seminars, besides lecturing at diverse venues. Members of the NIPFP faculty were often invited to give policy advice on fiscal issues through print and television media.

During the year under review, the Institute continued to act as the nodal agency for the Committee of State Finance Ministers constituted by the Union Finance Ministry for the preparation of a calendar for the gradual adoption of VAT by the state governments. Raja Chelliah, Chairman and Professor of Eminence, NIPFP is the Convenor. The secretariat of the Steering Committee for preparation of a Model VAT Law for the states was also based at NIPFP. Raja Chelliah is appointed the Chairman, and Amaresh Bagchi, Professor Emeritus, NIPFP is one of its members. Some background work has already been completed on the subject. Senior faculty members have been engaged in a series of studies undertaken to examine the finances of 13 individual states of India at the behest of the World Bank. The NIPFP entered into negotiations with the Asian Development Bank for administration and financial arrangements for the implementation of a sub-contract under UNDP assistance to the project "Capacity Building for Fiscal Devolution in Sri Lanka". A policy dialogue was held with the President, Institute of Fiscal and Monetary Policy, Ministry of Finance, Government of Japan for exchange of scholars and information.

The diversified research focused on the overall fiscal scenario of the economy - tax policy and administration, scope of the underground economy, issues in equity, revenue, direct and indirect cost of central and state subsidies, appraisal and allocation of resources to health care, macro-economic trends, reform of rural and urban local bodies and institutions, and environmental economics. These projects were carried out under the auspices of the various units and cells set up at the Institute for operational purposes. While the Ministry of Finance provided the annual grant-in-aid, fees and costs for research assignments came from the various sponsoring ministries, the Planning Commission of India and the state

governments. The professional chairs of Reserve Bank of India (RBI) and the Housing Development Finance Corporation (HDFC) remained functional and continued to support in associated areas of research. In addition, several commissioned studies were sponsored by multilateral agencies like the UNDP, USAID, Ford Foundation and the World Resources Institute. Collaborative research with the London School of Economics (London) and the Institute for Social and Economic Change (ISEC) Bangalore was also undertaken.

Steps were initiated to develop the infrastructure at NIPFP, such as, the library, computer and building. The Ministry of Finance granted the requisite financial resources for constructing an additional block and refurbishing of the auditorium at NIPFP. The computer unit added more to the existing hardware and software to cater to the increased research work at the Institute. The library expanded its list of acquisitions in accordance with NIPFP's research priorities and responsibilities as a repository library.

The former Director Parthasarathi Shome relinquished office of the Director, NIPFP on June 1, 1997. Ashok Lahiri, Economic Advisor, Department of Economic Affairs, Ministry of Finance, joined as Director in February 1998. The Professors at the Institute graciously took turns to shoulder the additional responsibilities of the Director during the interim period.

Pawan K. Aggarwal, Fellow, who was on deputation to Gokhale Institute of Politics and Economics, Pune, rejoined NIPFP as Senior Fellow in December. J.V.M. Sarma joined the Institute as Senior Fellow in January 1998.

A list of Governing Body members as on March 31, 1998 is in Annexure II.

II. Research Activities

Several projects were completed under the various units and cells set up here to broaden the scope of research activities.

● STATE FINANCE UNIT (SFU)

The Unit completed, during the reporting year a draft report on Haryana State Finances, one of the series of studies undertaken by NIPFP to study the finances of several individual states. The study of government subsidies in India which was completed in the previous year was revised, updated and published during the year. Other projects completed include a study of the Administration of Profession Tax besides the ongoing project on updation of the data bank on state finances. Consequent upon the acquisition of new hardware and software, the Unit succeeded in restoring almost the entire data bank on state finances after a complete system crash reported in the previous report. The Unit was headed by Tapas K. Sen.

- ▶ **Government Subsidies in India** (August 1997) D.K. Srivastava and Tapas K. Sen in association with H. Mukhopadhyay, C. Bhujanga Rao and H.K. Amarnath.

Sponsored by the Ministry of Finance, Government of India, and submitted during the previous year, the report was revised, updated and published in September 1997 as a monograph. On the basis of an earlier version of this report, a discussion paper with the same title was published by the Ministry of Finance in May 1997 and placed before the Parliament.

- ▶ **Tax Administration at the State Level: Profession Tax** (August 1997) Tapas K. Sen

The study, sponsored by the UNDP as part of an overall study of tax administration in India, examines the administration of profession tax in three States - Andhra Pradesh, Karnataka and Maharashtra. After making a survey of the major legislative provisions and practices related to various aspects of tax administration, including tax structure, taxpayer identification, administrative structure and staffing, assessment and collection, it makes suggestions for improving the administration of this tax in terms of cost of collection, taxpayer convenience, and general economic efficiency.

- ▶ **Public Finance Information System (PFIS)** (on-going) Tapas K. Sen

An entire package of new hardware and software for the database has been acquired after the crash of the old system. Much of the data retrieved from the backups are now loaded into the database software and some application programmes have been written and are being tested. Full functionality is expected to be achieved within the first quarter of the current year. Meanwhile the PFIS continued its activity of compiling and updating the data bank. It is expected to become fully operational with ready-to-retrieve data within a short time.

● HOUSING AND URBAN ECONOMICS UNIT (HUEU) AND SFC CELL

The Housing and Urban Economics Unit headed by Om Prakash Mathur conducted several detailed studies in the area of local finance.

- ▶ **Public Expenditure on Water** (January 1998) Om Prakash Mathur

The water sector comprising irrigation, rural water supply, and urban water supply is a major component of expenditure in India. In 1994/95, it accounted for approximately 25-28 percent of the total capital expenditure of the states and between 1.5 - 8.7 percent of their revenue expenditures. What have been the trends in public expenditure on water? What are the recoveries on water account? Is the uncovered portion of expenditure rising or declining? What is the contribution of the water sector to the fiscal deficit of the states? Addressing these questions and based on the finance accounts of states, the study has highlighted that the uncovered portion of expenditure has risen in most states, which is not in the interest of the

sound finance of states. The study has advocated the need to formulate appropriate pricing policies for the water sector.

- **Municipal Debt Financing in India** (January 1998) *Edadan Narayanan & Om Prakash Mathur*

The subject did not attract the attention of policymakers or academia because the major part of the municipal infrastructure in the past was financed out of grants extended to municipalities by the state governments. The state governments did not encourage debt financing of infrastructure even for those municipal bodies which were statutorily permitted to borrow for specified purposes.

Recent years have, however, witnessed significant changes in the country in the mode of municipal infrastructure financing. It is in this context that the NIPFP undertook with support from NIUA under the USAID-supported programme, a pilot study of municipal debt financing in 12 municipal corporations with a view to gain an initial understanding of issues concerning the subject of municipal debt. The study was designed to probe into issues, such as, the extent to which debt as an instrument is used for financing the infrastructure; the use to which debts have been generally put; and the impact of such debts on the revenue budget of municipalities.

- **The Role of Transfers in Municipal Finances: A Reform Agenda** (March 1998) *Om Prakash Mathur*

The study focused on the system of state transfers to the municipal bodies, addressing itself to one basic question - what should be done to improve the system of financial 'transfers' from the state governments to municipalities or what kinds of norms and rules should govern the system of transfers that would allow the municipalities to make better use of them and conform to the basic canons of simplicity and transparency?

- **Property Taxation in India : An Agenda for Reform** (March 1998) *Om Prakash Mathur*

Property taxes in India account for less than 0.25 percent of the gross domestic product (GDP) or about 2.6 to 2.8 percent of the total tax revenues generated within the country. Tax collection on property account are able to finance at the most, 25-28 percent of the total revenue expenditure. The phenomenal rise in land and property values that the country has witnessed over the past decade or so has made little difference to the overall position of property taxes.

Why is the performance of property taxes in India so dismal? What has constrained the property tax system - the prevailing methods of property valuation and assessment, the administrative and enforcement procedures or other factors? The study reviews the existing procedures and practices and suggests an agenda for improving the tax system.

This study is a part of the UNDP-supported programme on Policy Studies on Economic Reforms.

- **Economic Instruments for Environment Sustainability** (February 1998) *U. Sankar and Om Prakash Mathur*

The NIPFP collaborated with the Madras School of Economics and the World Resources Institute, in conducting a cross-country study on **Fiscal Instruments for Environmental Sustainability** for three countries, India, Mexico and Poland. The study looked into the relevance and effectiveness of fiscal mechanisms for addressing environmental problems. The critical issue for the study was: can economic and fiscal mechanisms effectively address the environmental problems?

As part of the study, the pricing policies and practices in respect of energy, water and solid wastes were examined on the basis of secondary evidence and published reports.

NIPFP and MSE have put out a summary version of the study under the title *Economic Instruments for Environment Sustainability*, for wider audience and dissemination.

- **Local Finance Data Systems** (on-going) *Om Prakash Mathur*

The study is expected to produce the following outputs:

- A report on the existing system of keeping financial accounts and budgets at the level of municipal bodies. It will refer especially to the nature of the classification system i.e., whether the finances of municipal bodies consisting of receipts and expenditure are classified according to departments, or activities, or on some other basis; the deficiencies in the existing system (what it can do or cannot do); the compatibility of the system; and the extent to which it is able to address questions related to the costs to produce particular functions. The report will critically examine the adequacy of the existing system in relation to the role of local governments as envisioned in the Constitutional (Seventh-fourth) Amendment, 1992.
- A proposal consisting of the new local finance data system with details on the strategy to implement the same. It will include specific suggestions pertaining to the training of municipal staff etc., which may be considered necessary for putting the proposed system into effect.
- A report on the finances of municipal bodies with a population of over 300,000. Although unrelated to the primary purpose of this project which is to establish a system, such a report is planned as a by-product, with a view to make the best possible approximation of the incomes and expenditures of

these municipalities together with estimates of the unrealised or untapped revenue potential.

The study is likely to be completed in June, 1999.

► **Other activities**

During the year, the HUEU also prepared two papers authored by Om Prakash Mathur, namely, Regional Development Planning and Management in Asia: Retrospective and Prospective Review; and Fiscal Innovations and Urban Governance.

● **STATE FINANCE COMMISSION**

The cell supports the work of the State Finance Commissions. Apart from participating in the discussions organised by the Ministry of Rural Areas and Employment, no specific studies were produced during the year. The cell is at present working on a paper that will consolidate and compare the approach of the State Finance Commissions in addressing their mandated tasks.

● **RESERVE BANK OF INDIA (RBI) UNIT**

The Reserve Bank of India Unit through its research work focused on various aspects of fiscal policy and macro-economics. The Unit was headed by Indira Rajaraman. She was assisted by Hiranya Mukhopadhyay, H.K. Amarnath and Abhiroop Mukhopadhyay.

- **Design of a Land Based Agricultural Presumptive Tax for use by Panchayats (February 1998) Indira Rajaraman and M.J. Bhende (Institute for Social and Economic Change, Bangalore)**

This report proposes, and provides the design for, a crop-specific presumptive supplement to the land revenue, which like the land revenue will be land-based and levied per acre. The supplementary levy is to be related, on the basis of income norms obtained from field surveys, to observed crop yields, which will serve as the presumptive indicator. The case for a crop-specific levy is predicated on the assumption that returns to cultivation are not equalised by cropping pattern shifts, even within a homogenous agro-climatic region, because of supply-side entry barriers in terms of soil and irrigation requirements, and further constraints imposed by the need for bilateral tie-ups between the cultivator and buyer in sunrise sectors like seed propagation. The design for the levy proposed includes exemption for crop failure, whether idiosyncratic or non-idiosyncratic, in the form of a threshold yield below which the tax does not apply. The only information required for each assessment year is a listing of cultivators growing any of the crops in the subset selected for taxation, and an identification of those in each list whose yields did not fall below the stipulated exemption threshold. Such information will be easily and costlessly obtainable locally, which is why

levies of this type are feasible only at *panchayat* level. The list of crops for consideration will first be identified by *panchayats* in accordance with the local ordering in terms of profitability, and forwarded to a state-level agency, which will define the taxable subset based on surveyed data. It is recommended that the revenues so raised should be jurisdictionally retained for improvement of agricultural and other infrastructure. This will facilitate compliance, give *panchayats* a stake in enforcement, and enable downward accountability in place of the upward accountability ensured by present systems of audit and control of government expenditure.

- **State Fiscal Studies : Punjab (on-going) Indira Rajaraman, Hiranya Mukhopadhyay and H.K. Amarnath**

This report examines the performance of Punjab State in terms of growth, social indicators and indices of fiscal performance, and proposes fiscal reforms for implementation over a five-year horizon upto 2001/02. The baseline scenario shows the fiscal path of the state in the absence of any corrective action on either expenditure or revenue fronts. That capital outlay has historically borne the brunt - if not the entire burden - of fiscal adjustment is clear from its decline from 3 percent of GSDP in 1985/86 to 1.51 percent in 1996/97 (RE). In the baseline scenario, capital formation further declines to 0.25 percent of GSDP in the terminal year. One reform scenario introduces five avenues of reform: a staff freeze (zero net addition); a freeze on net loans and advances at the absolute level in 1997/98 (BE); and a freeze on non-educational grants (45 percent of total grants); additional tax revenues; and feasible increments to non-tax revenues. An alternative reform scenario introduces additional (current) expenditures to plug spending gaps in three sectors: roads, irrigation, and primary education. The fiscal impact of each reform intervention is quantified in terms of percent of GSDP. These impacts are independent and additive within and across scenarios.

A study on **Internal Debt-Sustainability** sponsored by the Ford Foundation is underway in the RBI unit.

► **Other activities**

In addition, the Unit brought out several papers during the year. These included: A Profile of Economic Reform in India (School of Public Policy, University of Birmingham Paper 22, July 1997); A Land Based Agricultural Presumptive Tax Designed for Levy by Panchayats (EPW XXXIII:14, 4 April 1998); Monetary Transmission Mechanism: The Credit Channel Hypothesis Revisited (Mimeo, NIPFP, July 1997); Quantitative Analysis of Economic Reform Outcomes of the Indian Manufacturing Sector in an edited volume by M. Hossain and J. Malborn (London: Routledge); and Was the Industrial Deceleration a Result of Credit Crunch: A Disequilibrium Approach (EPW 3 May 1997). A paper entitled, India: Economic Reforms of the 1990s: Macroeconomic Dimensions and Ramifications was presented in a conference at the Hitotsubashi University, Japan. Presumptive Taxation and Governance, a paper completed during the previous year was published in the NIPFP publication Fiscal

Policy, Public Policy and Governance. The World Development Report 1997 was reviewed in the *Economic and Political Weekly* and a book on Indian reform in the *Journal of Development Economics*.

● ENVIRONMENTAL POLICY CELL

The Environmental Policy Cell, apart from engaging in various studies, provided support in organising an international workshop on *Water as a Social and Economic Good* and Rita Pandey, head of the Cell, presented a paper on *Water Demand Management Issues in Pricing and Cost Recovery*. Other members associated with the Cell were Aparna Sawhney and Saubhik Deb.

► Pollution Taxes for Industrial Water Pollution Control (March 1998) Rita Pandey

Abatement of mounting health and other costs arising from environmental degradation require major changes in government policy. Governments and others, such as, industry quite recognise that regulations should be supplemented and combined with a system of economic incentives that internalise the externalities arising from pollution in a cost effective manner. The use of economic instruments to address environmental problems has been endorsed by the Government of India in its policy statement for abatement of pollution in 1992. The statement asserts that, keeping in line with the 'polluter pays' principle, the introduction of economic instruments such as effluent charges should be investigated. The study addresses the task of designing effluent charges which can be introduced to control water pollution. The study was undertaken at the instance of the Ministry of Environment and Forests, Government of India.

► Fiscal Options for Vehicular Pollution Control in Delhi (March 1998) Rita Pandey

This paper attempts to identify the main sources of vehicular pollution in Delhi. It highlights the importance of traffic scenarios and modes of transport on the emissions, and underscores the need for policies to induce shifts to more efficient transportation modes with lower energy consumption and emission. The paper makes several specific recommendations to: (i) induce shifts to more efficient transport modes; (ii) encourage use of new technology alongwith phasing out of old vehicles; and (iii) induce production and use of cleaner fuels. The paper was presented at an international workshop organised by the World Bank and the Government of Delhi.

► Water Demand Management Issues in Pricing and Cost Recovery (December 1997) Rita Pandey

The conventional conclusion is that water charges should be revised upwards so that they reflect the social cost of water use. Effluent tax which addresses the issues in water conservation and environmental protection should also be implemented alongwith the rational

price of water, for use of water as a receptacle for pollution. The paper was presented at the international seminar on *Water as a Social Good*.

► Fiscal Instruments for Pollution Abatement (August 1997) Rita Pandey and B.N. Goldar

This paper, presented at the 1997 Congress of the International Institute of Public Finance, Kyoto, analyses the scope of using pollution tax for inducing distilleries to undertake adequate pollution abatement. Using a non-linear programming model, the study examines various choices available to a distillery, including the use of clean water for dilution of the stream of waste water. The results of the study emphasise that pollution tax has to be coupled with appropriate pricing of ground water to ensure that pollution abatement is undertaken to the desired extent.

The Cell is at present involved in the completion of two studies namely: *Tradeable Permit Markets for Air Pollution for Intra-Firm Trading and Feasibility of Common Effluent Treatment Plants in India*.

● HEALTH ECONOMICS CELL (HEC)

The activities of the Cell revolved around project related studies and in quantifying expenditure incurred by the government on the health sector. Adequate support was provided by the Ford Foundation. As part of its research activities the following projects made progress:

► Effects of Changes in Environment on Health Status of People in a given Region (Delhi) (on-going) A.L. Nagar

While secondary data on health and environment has been compiled, a household survey in slum and non-slum areas of Delhi for collection of primary data is being planned. Analysis of secondary and primary data are to be based on the MIMIC model and the Logit model. Method in regard to 'Composite Index for Health Status' has been proposed.

► Fiscal Adjustment and its Impact on Health Sector (on-going) V. Selvaraju

This study aims at building a data bank on health sector expenditure in addition to analysing the impact of structural adjustment on health sector over a period of ten years (five years pre-adjustment and five years post-adjustment period) ranging from 1985-86 to 1994-95. A significant portion of the data compilation work has been completed for 13 major states. The study is sponsored by the Ford Foundation.

Work in the Cell was being looked after by Charu Garg for part of the year. Others associated with the studies undertaken by the Cell were A.L. Nagar, V. Selvaraju, Harmeet Singh Maddh, Sharmistha and Anindita.

The NIPFP also maintained close functional links with the ministries in the central government and state governments and collaborated with the United Nations Development Programme (UNDP), the World Bank, and the Ford Foundation in pursuing its research activities. Themes of projects undertaken at the behest of individual ministries, international and bilateral agencies are outlined below.

- **External Assistance to India: Concessionality and Transmission to States** (nearing completion) *D.K. Srivastava and C. Bhujanga Rao and T.S. Rangamannar*

The study estimates the degree of concessionality of external assistance streams pertaining to government accounts in India. It reviews the mechanism of transmission of external assistance to the state governments as additional central assistance. In particular, it estimates the extent of subsidisation (or reverse subsidisation) of the states by the centre that is implicit in the transformation of the original terms and conditions of assistance. The study puts forward a framework for reforming the existing system. An interim report was submitted in February 1998. The final report is expected to be completed shortly.

- **Report on Reforms of Customs Law and Procedure** (May 1977) *Parthasarathi Shome, Sukumar Mukhopadhyay and Saumen Chattopadhyay*

Sponsored by the UNDP, this report was part of a larger research project conducted at the NIPFP. In suggesting measures to revamp customs administration, the report dealt with the broad categories of import-export licensing policy, structure of tariffs and some general aspects. The report is based on field visits to various collectorates of customs and central excise, meetings and discussions with officers at various levels and representatives of chambers of business and industry.

- **State Fiscal Studies : Assam** (on-going) *D.K. Srivastava, Saumen Chattopadhyay and T.S. Rangamannar*

The objective of this study being carried out for the World Bank is to review the fiscal profile of Assam and consider fiscal prospects for Assam under alternative policy scenarios. The study highlights the deteriorating fiscal and economic situation in Assam, its increasing dependence on Central funds, and its dwindling capital base. The study puts forward a reform programme for Assam in which both the Central and the Assam Government would have crucial roles to play. A draft report was submitted in March 1998.

- **State Fiscal Studies: Kerala** (on-going) *D.K. Srivastava and Saumen Chattopadhyay*

This study will also analyse the fiscal profile of Kerala and construct alternative scenarios for the period upto 2001-02 under alternative policy configurations. The basic strengths and weaknesses of Kerala's fiscal and economic profile will be highlighted and a suitable reform programme suggested. The report is likely to be completed by December 1998.

- **Expenditure Management in Higher Education** (on-going) *A.K. Ghosh*

It has been felt that an increase in student intake at the Indian Institute of Technology (IITs) and the Indian Institute of Management (IIMs) would optimise utilisation of resources and increase the output of quality manpower. With a view to assess the minimum essential infrastructural requirements for doubling students intake, a study was conducted at the Mechanical Engineering Department of IIT Delhi. Other departments are now engaged in similar exercises.

A mid-term report containing observations and recommendations on dual degree programmes and consultancy activities at the IITs, resource sharing and networking among the IITs and Industry-IIT linkages was submitted to the Ministry of HRD in February, 1998. The "project approach" for plan funding, as recommended in the report, will create accountability on the part of the IITs.

- **Central Subsidies in India** (on-going) *D.K. Srivastava and C. Bhujanga Rao*

This study is a follow-up of the earlier study on *Government Subsidies in India* and has been undertaken following discussions over two sessions at the Parliamentary Consultative Committee, attached to the Ministry of Finance. In the first instance, the focus will be on central government subsidies only. Estimation will be done at the level of sub-major and, where possible, minor heads. Compilation of data from *Finance Accounts* has been completed. The draft of the report is nearing completion.

III. Ford Foundation - Post Doctoral Research Fellowship Programme in Economics

This programme was initiated in 1989 to provide opportunities to Indian scholars to visit universities/institutions abroad for one academic year. The programme was renewed first in December, 1991 and again in July 1995. The second renewal for three years, which was due to expire in July 1998, was extended further until December 31, 1999 for the NIPFP to organize a seminar during November 6-7, 1998, to disburse follow-up research grants upto Rs.10,000 to the 1997-fellows on their return in August-September, 1998, and to settle the grant accounts of the earlier fellows, where necessary.

Under the programme, 38 scholars have been awarded fellowships of whom 33 have since returned, while 5 are at present pursuing their research at universities in the United States. The fellows were selected by a Committee of 5-6 eminent non-official Indian Professors, Director, NIPFP (as ex-officio Chairman), and Representative, Ford Foundation, New Delhi Office.

The NIPFP had earlier organised two seminars. The first seminar was held on May 10, 1993 to assess the strengths and weaknesses of the Programme and to appraise the

research output brought out by the fellows during the tenure of their fellowship. The second seminar was held during November 6-7, 1995 to assess the achievement of the broad goals and the impact created by the Programme, both in the spheres of research and teaching besides appraising the research work of the fellows. Special invitees including Prof. Debraj Ray, Director Institute of Economic Development, Boston University and Ms. Halene Mantell of the Institute of International Education, New York attended the seminar which, like the first seminar, was inaugurated by Mr. David D. Arnold, the then Representative, Ford Foundation, New Delhi Office.

On successful completion of the 9th and final round of the selection process, Dr. P. Shome, former Director, NIPFP and Mr. David D. Arnold, in a jointly signed note placed on record their wholehearted appreciation of the concerted efforts put in by all those who were intimately associated with the programme in making it a success. Copies of the note have been circulated to all concerned.

A two-day seminar during November 6-7, 1998 will attempt to assess the overall impact created by the Fellowship Programme both in the spheres of research and teaching, and to evolve an effective and economical 'networking mechanism' to sustain/disseminate the results achieved under the Programme.

IV. Seminars

A two-day international seminar on *Water as an Economic Good* was organised by the NIPFP in collaboration with the Global Water Partnership (GWP), Stockholm and National Commission on Integrated Water Resources Development at Hotel Hyatt Regency, New Delhi during 11-12, December 1997. The seminar, attended by 45 experts was intended to give better understanding of the complexities of the water sector, particularly those related to its pricing and institutional requirements, and to identify central issues for further action. In addition, the Institute held eleven in-house seminars during the year. Notable speakers at these seminars were Hideichiro Hamanaka, from the Institute of Fiscal and Monetary Policy, Japan who spoke on the *Asian Crisis*; Martin Muhleisen of IMF on *Improving India's Saving Performance*; Philip Costas, from Asia Regional Office in Manila for the American Consulting Engineers Council, on *Infrastructure Development and Financing: Priorities, Risks and Private Sector Investment*; Clive Bell, Heidelberg University, Germany who gave two seminars on *Finance led Industrialisation and the Indian Economy, 1951-1995* and *Inequality and Economic Performance in Rural India since 1955*; Vinaya Swaroop from the World Bank on *Fiscal Effects of Foreign Aid: A Case Study of India*; and Sukumar Ganapati, University of Southern California, Los Angeles on *Potential of Co-operatives for Low Income Housing: An Institutional Analysis*. (Complete details of in-house seminars are in Annexure-III).

V. Training Programmes

The Institute conducted three one-week training programmes for central government officials during 1997-98.

- *Public Finance and Fiscal Policy*, May 26-31, 1997 at NIPFP for officers of the Indian Audit and Accounts Service (IA & AS), sponsored by the Comptroller and Auditor General of India.
- *Centre State Financial Relations*, September 15-19, 1997 at NIPFP for officers of the Indian Administrative Service (IAS), sponsored by the Department of Personnel and Training, Government of India.
- *Fiscal Policy in India*, November 3-7, 1997, at the NIPFP for senior officers of the IAS, sponsored by the Department of Personnel and Training, Government of India.

VI. NIPFP Publications 1997-98

The Institute brought out five publications during the year under review.

India: Tax Policy for the Ninth Five Year Plan (1997-1998 to 2001-02) was a report of the Working Group on Tax Policy of the Steering Group on Financial Resources set up by the Planning Commission under the chairmanship of Parthasarathi Shome. The report sought to study the changes in the tax system effected during the Eighth Plan period and to suggest a suitable tax policy regime for the Ninth Plan Period.

Fiscal Policy, Public Policy and Governance edited by Parthasarathi Shome, is a collection of papers to bring together various approaches - economic, political and legal - to the issue of public policy and governance.

Value Added Tax in India: A Progress Report is a compendium of various independent studies done by different scholars all over the world. Edited by Parthasarathi Shome, it analyses the structure, administration and future prospects for a harmonized value added tax (VAT) in India.

Government Subsidies in India by D.K. Srivastava and Tapas K. Sen in association with H. Mukhopadhyay, C. Bhujanga Rao and H.K. Amarnath is an updated version of the background study done for the discussion paper on Government Subsidies in India, brought out by the Ministry of Finance, Government of India in May 1997. The monograph estimates the magnitude of subsidies implicit in the governmental provision of social and economic services and highlights the main deficiencies of our current subsidy regime.

Economic Instruments for Environment Sustainability by U. Sankar and Om Prakash

Mathur is a summary version of a larger report conducted by the NIPFP and the Madras School of Economics (MSE) for the World Resources Institute. The focus is on the pricing policies and practices in respect of energy, water and solid wastes on the basis of secondary evidence and published reports.

VII. Library Services

New acquisitions

The library continued to acquire books, reports and other publications from various sources. During the year, 1,203 new books and reports were added to the library. With this addition, the library had, at end-March, 1998, a collection of 31,385 books, reports and 2,740 bound volumes of periodicals.

Periodicals

The library subscribed to 154 journals, of which 83 were foreign and 71 were Indian. In addition, the library received 70 journals free of cost raising the total to 224. A large number of technical reports/discussion papers/reprints were received from other economic institutions during the year.

In addition, several working papers were received on a complimentary basis from various sources around the globe.

Circulation

Approximately 24,100 publications were circulated during the period among the members. A total number of 368 external researchers, scholars and officials from India and abroad availed of the lending as well as reference facilities.

Under the inter-library loan programme, about 74 books were lent out to the neighbouring institutes and libraries, and 91 publications were borrowed from them for use by library members.

Technical processing

New books and other publications added in the library have been classified, catalogued and processed during the year. Catalogue cards classified under author, title, subject, and series have been prepared.

Reprographic services

Approximately 10,348 photocopies were produced every month. Reprographic facilities have also been provided to researchers of other institutes.

Current Awareness Services

(a) Current contents

This is a monthly service highlighting the contents of the periodicals received.

(b) List of additions

Pertains to information of documents added to the library.

Documentation Service

The following publications were brought out for providing documentations as well as dissemination services to our users as well as outside research institutes:

(a) Bulletin on Library Information Service

Consists of articles published in selected newspapers and journals. Bibliographical information of articles on different subjects can be accessed. A total number of 13 lists have been produced for providing documentation service.

(b) Monthly literature alert service

It consists of references from the latest journal articles available in the project-related subject areas. This service is provided on demand.

Computer Bibliographic Assistance

Using UNESCO's CDS/ISIS (3.07) software package, the library has made arrangements for providing computerised bibliographic assistance through bibliographic databases covering information held in the library.

The NLIS is a computerised database of articles published in selected newspapers and journals. Bibliographical information of articles on different subjects can be accessed.

The NICAT, a computer catalogue of the library holdings which was started in 1990 is being updated regularly. Information from accession number 18,501 can be retrieved from the data file.

Systems Development

To maintain and improve on the level of services, the following software and hardware have been installed for the use of the library.

(a) LIBSYS software version 3.x (Host multiuser) on windows NT platform

- (b) Library computer server
- (c) Computer (Pentium) 133 Mhz with CD-ROM
- (d) Printer (HP Laser Jet 6P)
- (e) On-line UPS

Cd-Rom Discs

A CD-ROM disc EconLit-AEA (1980-Dec.1996) with a Manual from American Economic Association is being used by library members. The American Economic Association's EconLit database on compact disc is an expanded version of the *Journal of Economic Literature* (JEL) bibliographic database of books, journals, working papers and dissertations etc. The disc will be updated as and when issued.

Library Hours

For giving more service to readers, library hours have been extended upto 2000 hrs on Thursday evenings and on Saturdays from 1000 hrs to 1400 hrs.

Other Facilities

E-Mail and fax facilities available at the Institute are being used by the library staff for journals claims, getting invoices, etc.

VIII. Computer Unit

Acquisition of computer software

Computer systems with appropriate hardware were acquired for the Publications Unit and the State Finances Unit (SFU), besides a server for the Library. For the Publications Unit, one desktop system at the higher end alongwith an HP Laserjet 5 SiMx printer, one scanner, one colour printer and connected software was acquired. The SFC Cell was provided with four computer systems (three Pentium-based and one 80486), and a HP Laserjet 6P printer. Similarly, for the library, one server at the higher end with backup facilities with LIBSYS software under Windows NT-4.0 environment, and one HP Laserjet 6P printer were purchased. In addition to the above, seven pentium-based desktop systems, four HP Laserjet 6P printers and one Epson 1050 dot matrix printer were also purchased.

To ensure steady supply of power requirements to the additional hardware, 7 UPS systems (.625KVA), two UPS systems (3KVA) and one UPS system (2KVA) were added to the existing stock of UPS systems.

For the Public Finance Information System (PFIS), a powerful database software (INGRES) with different data handling capabilities was purchased. This software was installed under the SCO UNIX open server environment on the PFIS server, and the data relating to the state government and central government finances was transported to the UNIX-INGRES environment.

The LIBSYS software under windows NT 4.0 environment was purchased for the library and steps were taken to transport the data existing under the DOS-CD/ISIS environment connected with the computerisation of the library to the new Windows NT 4.0-LIBSYS environment on the new library server.

Furthermore, new Antivirus software, Scanning software for pictures and Optical Character Reader (OCR), were purchased.

E-mail security

A Local Area Network (LAN) was set up with three nodes to provide password security to the electronic mail system in the Institute. This system has been set up under Windows NT 4.0 environment.

Setting up of LAN and WAN

It was decided to set up a LAN with 150 nodes, five servers, and Virtual LAN (VLAN) facilities and Wide Area Network (WAN) connectivity at the NIPFP on a turnkey basis. M/s WIPRO was selected as the vendor to instal the hardware and the software for the network.

Most of the equipment and the software have been received and the installation work is in progress, but the decision on the mode of WAN connectivity with the Department of Electronics (DoE), is still to be finalised.

Training

Shri A.K. Halen was sponsored for training on the Internet at the Computer Society of India. Shri N.K. Singh was deputed to be trained on INGRES.

Shri A.K. Halen and Shri Satish Kamath were sponsored for training in the new multiuser networking operating system software, Windows NT 4.0.

Shri Jagdish Arya and Shri Anil Kumar Sharma are undergoing training in computer hardware at the Electronic Trade and Technology Corporation, Government of India. Shri Arya has successfully completed Fundamentals of Computer Hardware there. Training facilities are likely to be continued in the next financial year too.

IX. Faculty activities

As before, members of the professional staff continued their co-academic research activities in India and abroad. Notable activities besides their participation in the normal research and training programmes have been highlighted in the following paragraphs. Details pertaining to their published work are given in Annexure V.

☞ **Raja Chelliah**, Chairman NIPFP, was given the "Financial Express Award for Economics 1997" for being an economist of high merit and for his impact on Indian economic policy. He was also the recipient of the Batheja Memorial Trust Award for his book entitled *Towards Sustainable Growth - Essays in Fiscal and Financial Sector Reforms in India*. This award was given to him as the author of one of the two best books written on Indian Economic Development during 1996 and 1997.

He continued to work as the Honorary National Project Director of Social Sector Strategies, Financing and Economic Reforms of the UNDP. The UNDP, New Delhi appointed him Chairman of the Expert Group for preparing the India Section of the UN *South Asia Poverty Monitor*. In this capacity, he supervised the work of the Group and drafted some of the chapters of the report and also participated in a South Asia Regional Seminar on *South Asian Poverty Monitor* held in Sri Lanka in November, 1997. He is at present the Convenor of the Committee of State Finance Ministers (for which the NIPFP is the nodal agency) constituted by the Union Finance Ministry for preparing a calendar for the gradual adoption of VAT by the state governments. Raja Chelliah is also the Chairman of the Steering Committee (based at the NIPFP) for the preparation of a Model VAT Law for states.

He delivered the G.B. Pant Memorial Lecture at the Govind Ballabh Pant Social Science Institute in Allahabad and another one on "Challenges for the Indian Economy" at the National Defence College. He chaired the session on Multinationals, Labour and Society symposium on Effect of Foreign Press in Indian Democracy organised by Dr. P.S. Lokanathan Memorial Society, Chennai; participated in a national workshop on the *Human Development Report 1997 on Global Poverty* organised by the UNDP at New Delhi; attended a roundtable conference on subsidy organised by the PHD Chamber of Commerce and Industry; and participated in the *Human Development Report 1997 Workshop: Western India's Perspectives* in Pune organised by the UNDP, New Delhi. He contributed an essay on *Liberalisation, Economic Reforms, and Centre-State Relations* to the book on *India's Economic Reforms and Development - Essays for Manmohan Singh* (Oxford University Press, 1998).

☞ **Ashok Lahiri** took over as the *Director of NIPFP* on February 17, 1998 from his previous position as Economic Advisor, Department of Economic Affairs, Ministry of Finance, Government of India. He also relinquished his place on the United Bank of India Board of Directors. After taking stock of the progress of the ongoing projects, he initiated negotiations for new projects recommended by the Academic Committee of the Institute.

He held discussions pertaining to collaborative research activities with Dr. Hideichiro

Hamanaka, President, Institute of Fiscal and Monetary Policy, Ministry of Finance, Government of Japan. Mr. Hamanaka's institute bears responsibility of building theoretical foundation of fiscal and monetary policy of Japan, of holding communication with academia and think-tanks, and extending Japanese technical assistance in policy matter to developing countries. He also signed a 'Letter of Agreement' on administrative and financial arrangements between the Asian Development Bank and the NIPFP for implementation of a sub-contract under UNDP assistance to project **Capacity Building for Fiscal Devolution in Sri Lanka**. Ashok Lahiri is a member of the Standing Committee on Money Market, RBI, Mumbai.

He delivered two lectures, one on "Economic Reforms in India: An Overview" to senior IAS officers at the Council for Social Development and the other on "Role of International Trade in the Indian Economy" at a training workshop organised by the Asian Institute of Transport Development, New Delhi. He participated in a World Bank seminar on *South Asia Beyond 2000: Policies for Sustained Catch-up Growth at Kandalama*, Sri Lanka during March 1998.

☞ **Amresh Bagchi**, Professor Emeritus, NIPFP, continued to pursue academic activities in various forms by writing articles and giving lectures in the Institute's training courses as also outside, examining Ph.D. theses etc. He is at present associated with two projects of the Institute - **Possible Transfer Pricing Guidelines for India**, sponsored by the UNDP and **Drafting of a Model VAT Law**, sponsored by Ministry of Finance. He served as a member of the following committees - National Advisory Board on Statistics (NABS), Department of Statistics, New Delhi; Expert Committee to Redraft the Income Tax Law, Ministry of Finance, New Delhi; and Board of Management of the Indira Gandhi Institute of Development Research, Mumbai. He was a consultant to the World Bank for working on **Property Tax in Andhra Pradesh** and **Value Added Tax in Maharashtra**. His published works included two articles brought out by the Oxford University Press in two different publications. In addition, two other papers were also published during the year, namely, *Reforming the Property Tax Base: Need for a New Direction*, and *Central Sales Tax: Why It must go*.

☞ **Om Prakash Mathur**, Professor and Head of the Housing and Urban Economics Unit, completed several studies during the year. These included - a two volume study on **Public Expenditure on Water** addressing the need to formulate appropriate pricing policies for the water sector; **Municipal Debt Financing in India** (co-authored); **Role of Transfers in Municipal Finances: A Reform Agenda**; and **Economic Instruments for Environmental Sustainability** (co-authored). Also nearing completion is his study on **Property Titling, Registration and Conveyance** sponsored by the Department of Administrative Reforms and Public Grievances.

The Delhi Fiscal Study, part of the World Bank programme under which fiscal studies of several states are being prepared by the NIPFP, has been entrusted to a team led by Om Prakash Mathur. He is involved in monitoring the implementation of the report of the State Finance Ministers on Stamp Duty by virtue of being the member-secretary of the Group of Officials set up by the Ministry of Finance for the purpose. He is also working on the

Ministry of Finance sponsored research study entitled *Local Finance Data System*. He was responsible for co-ordinating the activities of the State Finance Commission Cell under which discussions organised by the Ministry of Rural Areas and Employment were held during 1997-98.

Om Prakash Mathur continued to be a member of the State Finance Commission, Madhya Pradesh; Research Programmes Committee of the Ministry of Urban Affairs and Employment; Advisory Committee for the Human Settlements Management Institute of HUDCO, New Delhi; and on the Governing Board of the National Institute of Urban Affairs, New Delhi. He was invited by the European Commission to be a member of the Steering Committee for their newly set up Asia Urban Programme for steering the programme which will, inter-alia, include approval to research programmes submitted by research institutions. He continued to be member of the Editorial Advisory Board of the *Journal of the Review of Urban and Regional Development Studies* (Tokyo International University), and on the Advisory Board of the *Journal of the Environment and Development Economics*, University of York.

The year saw him travelling abroad extensively to attend the: Expert Groups Meeting on Regional Development Planning and Management in Asia at UNCHS Nairobi; Afro-Asia meeting of experts on Urbanisation and Regional Development, UNCRD, Nairobi; Meeting of International Experts on the Capacity Building for Urban Management, AIT, Bangkok where he also delivered a lecture on "Shifting Paradigms in Urban Management"; International Conference on Urban Governance, Washington, D.C., Congress on Urbanisation and Urban Management, CITYNET, an NGO set up by ESCAP at Yokohama; and the First Urban Policy Dialogue at Ho Chi Minh City sponsored by UNCHS/UNDP. He attended several seminars and meetings at diverse venues in India.

✧ **Mahesh C. Purohit**, Senior Fellow, is a Member of the Steering Committee on VAT Manual, as also the Secretary, States Finance Ministers Committee on Introduction of Value Added Tax, both set up by the Ministry of Finance, Government of India. He is at present involved in drafting a **Model Statute for Value Added Tax**. While on leave from the NIPFP during the period December 1996 to October 1997, he continued to pursue co-academic activities at international institutes, as Visiting Researcher at the Institute of Fiscal and Monetary Policy, Ministry of Finance, Tokyo; Faculty Research Fellow at the Shastri Indo-Canadian Institute, Ottawa, and Visiting Professor at *Maison Des Sciences De L'Homme*, Paris. He submitted a paper at the Fourth International Conference on Local Government Taxation at Rome. Among the seminars given by Mahesh Purohit were on *Reintroduction of Octroi* at Bangalore and on *New Economic Policies of India* at the Institute of Fiscal and Monetary Policy, Tokyo. The lectures that he delivered during the year pertained to MODVAT and commodity taxes, at the Institute of Costs and Works Accountants of India (ICWAI) and the Jawaharlal Nehru University (JNU).

Outside of project work, he authored several papers in his areas of interest, such as MODVAT, and transfer pricing, which were published in reputed national and international journals and newspapers.

✧ **Indira Rajaraman**, Senior Fellow and Reserve Bank of India Professor of Fiscal Policy, was also on the Governing Body of the NIPFP. Her UNDP project on **Design of a Land Based Agricultural Presumptive Tax for use by Panchayats** was concluded in February 1998. She began on *State Fiscal Studies: Punjab* of which the draft report was submitted in March 1998 to the World Bank. Work on **Internal Debt Sustainability** is underway.

During the year under review, she was a member of the Board of Directors, General Insurance Corporation; represented Director NIPFP at the 26th meeting of Central Direct Taxes Advisory Committee; refereed for the *Journal of Public Economics* and Indian Council of Social Science Research (ICSSR); and examined M.Phil theses in Applied Economics at JNU. She was also invited to be a member of several faculty selection committees for JNU, Madras School of Economics, Indian Statistical Institute, Calcutta, and for Fulbright Post Doctoral Fellowships. She was also nominated to the Research Advisory Committee of the Indian Council for Research on International Economic Relations (ICRIER).

She was invited to consultations on Monetary Management by the Governor of the RBI; to a meeting of economists with the Prime Minister; to a United Nations preparatory workshop for the Commission for Social Development at Regent's College, London University; to a World Bank seminar on *South Asia Beyond 2000*; and to a roundtable by the Confederation of Indian Industry on WTO Issues.

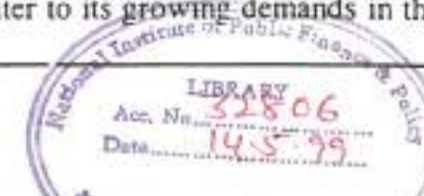
Indira Rajaraman continued to be consulted by various visiting economists representing foreign governments/universities, investment banking institutions and foreign investors. The year witnessed her being extensively interviewed by television and print media.

Among her publications during the year were a review each for the *Journal of Development Economics* and *Economic and Political Weekly*; papers titled, *Presumptive Taxation and Governance*, and *A Land Based Agricultural Presumptive Tax Designed for Levy by Panchayats* besides one on *Indian Reform* for the School of Public Policy, University of Birmingham.

Indira Rajaraman delivered lectures to the course participants of training programmes for the IA & AS and IAS at the NIPFP. She was invited to lecture at a workshop on *Macroeconomic Issues and Implications* organised by Modicorp. She gave seminars at the India International Centre, New Delhi and the School of Public Policy, University of Birmingham; and lectured at the *Seventh Asian Development Bank (ADB) Tax Conference*, Singapore.

She carried out administrative responsibilities as Chairperson, Library Committee, NIPFP and as Convenor of the Academic Committee.

✧ **D.K. Srivastava**, Senior Fellow, continued to be actively involved in the academic activities of the Institute. His study *Government Subsidies in India* (in association with other colleagues) was published as a monograph by NIPFP to cater to its growing demands in the



economic circles of the country. As the team leader, he was invited by various academic bodies, television, radio and print media to comment on, write, or present the main findings of the report. D.K. Srivastava is involved in the completion of *External Assistance to India: Concessionality and Transmission to States* with other associates. He is incharge of *State Fiscal Studies: Assam*, as also of *Kerala*.

D.K. Srivastava, served as member of the Task and Expert Groups set up by the ICSSR, Ministry of HRD and Ministry of Labour to examine the data/finances pertaining to issues such as education and social security. He delivered nine lectures in the three NIPFP conducted training courses for the officers of the IAS and IA & AS on topics such as Fiscal Federalism, Government Subsidies, Current Issues in Fiscal Policy, Analytics of Laffer Curve and Recommendations of the Tenth Finance Commission. He was responsible for conducting two of the three courses organised by the NIPFP for the Government of India. He was also invited to lecture at training courses/refresher courses held by the National Institute of Financial Management, Faridabad, the JNU, Modicorp, and the Indian Institute of Public Administration and the Institute of Economic Growth. During the year, six papers authored or co-authored by him were either published or were accepted for publishing. At the international level, he presented a paper on Transfer Payment - Expenditure Assessment: The Indian Experience at an international symposium in China besides presenting one on the Disintegrative Content of Criteria-Based Fiscal Transfers with a case study of India at the 1997 Congress of International Institute of Public Finance at Kyoto, Japan. He was nominated as a discussant for the paper on Tax Efficiency in Indian Federation there. The PHD Chamber of Commerce and Industry invited him to be their 'Guest of Honour' at a symposium on *Reorienting Subsidies in a Market Economy*.

At the Institute, he continued to be the Chairman of the Computer Committee, and Convenor NIPFP Seminars. He completed his term as member of the Governing Body in May 1997 and as Chairman, Staff Council, NIPFP in September 1997.

✧ **Pawan K. Aggarwal** was appointed as *Senior Fellow* in December 1997. He was on deputation to Gokhale Institute of Politics and Economics since April 1997 where he was serving as RBI Professor of Finance and was engaged in teaching economics to post graduate students. His research project on *Determinants of Capital Structure in India* is underway. During the year, Pawan K. Aggarwal was invited to three conferences: *Status of Socio-Economic Data* organised by ICSSR; *Conference of Finance Ministers of States and Union Territories on Taxation of Inter-State Sales and Reform of Stamp Duty*; and *Alternatives for Resource Mobilisation for Public Sector Undertakings* at Pune. At the international level, he contributed a (co-authored) paper on Disintegrative Content of Criteria-Based Fiscal Transfers with a case study of India at the Congress of IIPF, Kyoto, Japan. Several of his studies carried out at the Institute prior to his departure to Gokhale Institute were brought out in the NIPFP publications or by other publishers during 1997-98.

✧ **J.V.M. Sarma** joined the Institute as *Senior Fellow* in December 1997. He is at present engaged in the preparation of the World Bank sponsored *State Fiscal Studies: Tamil Nadu*.

✧ **A.L. Nagar**, *Senior Consultant*, is the project incharge of the Ford Foundation sponsored project *Effects of Changes in Environment on Health Status of People in a Given Region (Delhi)*. The project is likely to be completed by December 1998.

✧ **A.K. Ghosh**, *Senior Consultant at NIPFP*, is working on *Expenditure Management in Higher Education* sponsored by the Ministry of Human Resource Development (MHRD). He has already submitted a mid-term report on the subject. A.K. Ghosh attended two seminars: *Defence Expenditure and Budgeting* in Institute of Defence Studies and Analyses and *Scientific and Technical Manpower Development in India*, organised by MHRD at the IIT, Delhi.

✧ **Tapas K. Sen**, *Fellow and Incharge*, State Finances Unit of the Institute, also continued to look after the Public Finance Information System (PFIS), a database on government finances in India. His research activities during the year included a study each of, *Administration of Profession Tax* (report submitted to the sponsors) and *Motor Vehicle Tax* (draft completed, now being finalised), and a study of *Haryana State Finances* as part of the series of *State Fiscal Studies* sponsored by the World Bank (co-authored with R. Kavita Rao) the draft of which has been completed. A research report on *Government Subsidies in India* co-authored by him was published as a monograph by the Institute during the year. His ongoing works include a study of the *Impact of Central Grants on State Government Expenditures and Indebtedness and Interest Liability of Indian States*.

During the course of the year, Tapas K. Sen contributed a paper on State Excise Policy in India at a national workshop on Health at the All India Institute of Medical Sciences (AIIMS); made a presentation at a seminar on *Cooperative Federalism: India and Canada*, at the Department of Business Economics, University of Delhi. He also attended a national seminar on subsidies at JNU and a workshop on the introduction of M.Phil/Ph.D at the Indira Gandhi National Open University (IGNOU).

✧ **Rita Pandey**, *Fellow and Incharge*, Environmental Economics and Policy Cell at the Institute, continued to work in the area of environmental economics and policy during the year. Rita Pandey completed a study on *Pollution Taxes for Industrial Water Pollution Control* sponsored by the Ministry of Environment and Forests. She is currently working on *Common Effluent Treatment Plants in India and Tradeable Permit Markets for Air Pollution for Intra-Firm Trading*.

Other research activities of Rita Pandey included two co-authored papers which were published in journals of repute while another on *Pricing Industrial Pollution: A Case study of India* has been accepted for publishing. She co-authored another paper on *Fiscal Instruments for Industrial Pollution Abatement - A Programming Approach*, which was subsequently presented at the 1997 Congress of the International Institute of Public Finance held in August 1997 at Kyoto, Japan. She presented a paper each at the international seminar on *Water as a Social and Economic Good* at New Delhi, and at the international workshop on *Air Pollution* organised jointly by the World Bank and Government of Delhi. During the year, she examined Ph.D theses in Economics at the request of Madras University and the IIT, Kanpur.

Rita Pandey continued to be a member of the Ministry of Environment's Technology and Finance Standing Committee which has been set up to implement the Montreal Protocol for phasing out ozone depleting substances, and is at present the Member Secretary of the Environment Economics Overseas Fellowship Committee set up under the World Bank Aided Programme on Environmental Economics. During the year she participated in a programme on Energy, Environment, Resources and Sustainability, organised jointly by TERI and UN University, Japan. In connection with this programme, she visited Europe, Canada and USA and held discussions with researchers and policymakers at the leading research institutions and universities, the World Bank (Washington D.C.) and the United Nations (New York).

✧ **R. Jeeja Bai Manay**, Deputy Commissioner of Commercial Taxes, Government of Karnataka is on special duty at NIPFP for one year to work as the Convenor of the Committee constituted by the Government of India, for preparation of the VAT Manual.

✧ **Charu C. Garg**, Fellow, who was associated with the Health Economics Cell of the Institute, returned to Sri Ram College of Commerce.

✧ **K.K. Atri**, EDP Manager, prepared the blue prints for the installation of Local Area Network (LAN) and Wide Area Network (WAN) in the Institute which is one of his accepted professional skills. He was appointed as a member of the Assessment Committee for assessing the merit for promotion of the staff members under the Revised Merit and Normal Assessment Scheme (MANAS) of the Council for Scientific and Industrial Research (CSIR), and of the Indian National Scientific Documentation Centre (INSDOC).

He is a member of the Computer Society of India as also a member of the Computer Committee of the Institute. As Chairman of the Nominations Committee of the Computer Society of India (Delhi Chapter) he successfully conducted elections of Office Bearers of the Delhi Chapter of the Society for the year 1997-98.

K.K. Atri continued to be on the external faculty of the Himachal Pradesh Institute of Public Administration, Shimla. He participated in seminars on emerging computer software and hardware technologies organised by different vendors in New Delhi during the year.

✧ **Hiranya Mukhopadhyay**, Senior Economist, was associated with the RBI Cell for most of the year until he left in January to visit Queen Elizabeth House, Oxford University to write a paper on Macroeconomic Adjustments to Capital Inflows in India. He was the co-author of the World Bank sponsored study *State Fiscal Studies - Punjab*. He presented a paper at a conference at the Hitotsubashi University, Japan in August 1997. He wrote several papers during the year which included *Cascading Revenue Neutrality and the VAT: Some Theoretical Results*; *Monetary Transmission Mechanism: The Credit Channel Hypothesis Revisited*; and *Was the Industrial Deceleration a Result of Credit Crunch?*; and *Quantitative Analysis of Economic Reform Outcomes of the Indian Manufacturing Sector*.

Hiranya Mukhopadhyay gave lectures in the training programmes of the NIPFP to the officers of the IAS and IA & AS as also at the Administrative Staff College, JNU.

✧ **R. Kavita Rao**, Senior Economist, is the co-author of *Fiscal Studies: Haryana* (interim report submitted to the World Bank). She co-authored a paper, *Recent Advances in Econometric Methods and their Application to Indian Economy*, which was presented at a conference, organised by the Indian Statistical Institute, Bangalore.

✧ **Aparna Sawhney**, Senior Economist, was associated with the Environmental Policy Cell. She was on leave for most part of the year.

✧ **C. Bhujanga Rao**, Senior Economist, is now closely associated with the second study on *Central Subsidies in India*. His co-authored work on *External Assistance to India: Concessionality and Transmission to States* is nearing completion. He assisted the Course Director in conducting two training programmes related to Fiscal Policy and Public Finance organised by the NIPFP for the officers of the IA & AS and the IAS. He delivered a lecture on "Appraisal of Plan Schemes" in the former course and initiated a group discussion on Fiscal Federalism in the latter. He participated in a national seminar on *Rationale of Subsidies in the Contemporary Development* organised by JNU and ICSSR and another on *Macroeconometric Modelling for India* organised by the Institute of Economic Growth and Delhi School of Economics.

✧ **Kaushik Chaudhury**, a Consultant to the NIPFP until October 1997, was appointed as a Senior Economist. He left the Institute in January 1988. During his stay here, he participated in the preparation of *State Fiscal Studies for Assam and Kerala*. He served as a referee to *Applied Economics* and *Review of Development Economics*. He submitted several papers to journals of repute. Three of those papers have been accepted for publication. He made presentations on Debt Sustainability Analysis: Theory and Applications to Heavily Indebted Poor Countries, at the Far Eastern meetings of the Econometric Society, Hongkong, and at the NIPFP.

✧ **Saumen Chattopadhyay**, Economist, co-authored the report on *Reforms of Customs Law and Procedure*, part of a larger UNDP project. He is at present associated with *State-Fiscal Studies: Assam*. Two of his co-authored papers have been accepted for publication. He was member of a tender sub-committee of the Institute.

✧ **T.S. Rangamannar**, Consultant, is at present engaged in the completion of *State Fiscal Studies: Assam and External Assistance to States: Terms and Conditions* in the capacity of a co-author. He is also assisting Om Prakash Mathur in conducting the Delhi Fiscal Study. He has been assisting Raja Chelliah in his UNDP project on poverty alleviation and in the analysis and compilation of data required for other research activities. T.S. Rangamannar was responsible for compilation of data on poverty in Bihar and U.P. and other poorer states for Raja Chelliah's Govind Ballabh Pant Memorial lecture at Allahabad. He attended seminars on subsidies and centre-state fiscal relations at JNU. Lectures delivered by him pertained to the constitutional aspects of centre-state fiscal relations and their historical evolution. These were given to the participants of the IA & AS and IAS courses organised by NIPFP.

✧ **Gautam Naresh**, *Economist*, returned to the Institute in January 1998 after serving the Delhi Finance Commission for nearly two years. He is now associated with **State Fiscal Studies: Tamil Nadu**. During the year, he was elected as member of the Executive Council of The Indian Econometric Society for 1998-99. He presented a co-authored paper at the XXXIV Annual Conference of the Indian Econometric Society 1998 at Mangalore University. He delivered lectures to Executives of Public Sector Undertakings at ICWAI, the participants of International Diploma Programme in Educational Planning and Administration. His published material include two articles and a monograph. His paper on *Municipal Expenditure in India: A Cross-Sectional and Time-Consistent Analysis* presented at the Conference is published in the conference volume, entitled **Local Government Finances in India: - Proceedings of the National Conference on Emerging Trends in Indian Local Government Finances** held at the NIRD, Hyderabad, 24-25 October, 1996 organised by Konrad Adenauer Foundation.

✧ **V. Selvaraju**, *Economist*, has been generally associated with the Health Economics Cell of the Institute. He was a member of the Health Economics Consortium as also of the Health Policy Research Consortium and has been attending their meetings regularly. He is at present involved in **Fiscal Adjustment and its Impact on Health Sector**, a project funded by the Ford Foundation.

✧ **N. K. Singh**, *Systems Analyst*, was the external examiner in the CRRIT Polytechnic, New Delhi for the Digital, Electronics and Computer Science subjects. He delivered lectures on computer communications at the GVM Girls College, Sonapat, Haryana. During the year, he completed a course in 'Certified Network Engineering' at the Institute of Network Technology New Delhi. He assisted the EDP Manager in completing the project 'Case Study on Installation of LAN and WAN' at the Institute.

✧ **Sujata Dutta**, *Research Associate*, is at present engaged in research work in the area of **India's Public Debt**.

✧ **O.P. Bohra**, *Research Associate*, assisted Raja Chelliah in the UNDP study **South Asia Poverty Monitor**. He presented a paper on *Role of Development Authorities - Change of Urban Governance in 1990s and Beyond* (in the context of 74th Amendment Act) at Bangalore. He visited the Sydney Sussex College, University of Cambridge, for six weeks under a collaborative research programme entitled *Restructuring Local Governance in UK and India: A Comparative Study*. His paper on *Women in Decentralised Democracy* was published during the year. He continued to be a member of the Institute's Library Committee.

✧ **H.K. Amarnath**, *Research Associate*, was associated with *Government Subsidies in India* brought out as a publication of NIPFP. He is at present working as one of the co-authors of **State Fiscal Studies - Punjab**.

X. Finance and Accounts

The statement of Accounts of the Institute for the financial year 1997-98, duly audited by the Institute's auditors M/s Thakur Vaidyanath Aiyar and Company, Chartered Accountants can be seen in Annexure VIII.

GOVERNING BODY AS ON 31.3.1998

1. Dr. R.J. Chelliah
NIPFP
New Delhi
- Chairman

Under Rule 7(b)(i) - Two nominees of Ministry of Finance:

2. Dr. Montek Singh Ahluwalia
Finance Secretary
Ministry of Finance
North Block
New Delhi-110001
- Member
3. Shri N.K. Singh
Revenue Secretary
Ministry of Finance
North Block
New Delhi-110001
- Member

Under Rule 7(b)(ii) - One nominee of RBI:

4. Dr. A. Vasudevan
Executive Director
Reserve Bank of India
Shahid Bhagat Singh Marg
Mumbai-400023
- Member

Under Rule 7(b) (iii) - one nominee of Planning Commission:

5. Dr. S.R. Hashim
Member-Secretary
Planning Commission
Yojana Bhavan
Parliament Street
New Delhi-110001
- Member

Under Rule 7(b)(iv) - Three nominees of State Governments:

6. Shri Vinod Rai
Principal Secretary (Finance)
Finance Department
Government of Kerala
Trivandrum
- Member

- | | | |
|----|---|--------|
| 7. | Shri Vankatchary
Additional Chief Secretary
Finance Department
Government of Maharashtra
Mantralaya
Mumbai | Member |
| 8. | Shri S.C. Das
Commissioner and Secretary
Finance Department
Government of Assam
Dispur, Guwahati | Member |

Under Rule 7(b)(vi) - One nominee of ICICI:

- | | | |
|----|---|--------|
| 9. | Smt. Lalita D. Gupte
Deputy Managing Director
Industrial Credit & Investment Corp. of India
163, Backbay Reclamation
Mumbai | Member |
|----|---|--------|

Under Rule 7(b)(vii) - Two nominees of sponsoring institutions:

- | | | |
|-----|---|--------|
| 10. | Shri L. Lakshman
President
Associated Chambers of Commerce and
Industry of India
Allahabad Bank Building
Parliament Street
New Delhi-110001 | Member |
| 11. | Shri K.K. Modi
President
Federation of Indian Chambers of
Commerce and Industry
Federation House
Tansen Marg
New Delhi-110001 | Member |

Under Rule 7(b)(viii) - Three eminent economists:

- | | | |
|-----|--|--------|
| 12. | Prof. Isher Judge Ahluwalia
Centre for Policy Research
Chankyapuri
New Delhi-110021 | Member |
|-----|--|--------|

- | | | |
|-----|---|--------|
| 13. | Prof. Vikas Chitre
Professor of Economics
Gokhale Institute of Politics and Economics
Pune | Member |
| 14. | Dr. Pravin Visaria
Director
Institute of Economic Growth
University of Delhi
Delhi-110007 | Member |

Under Rule 7(b)(ix) - Three representative of collaborating institutions:

- | | | |
|-----|--|--------|
| 15. | Prof. M.K. Rakshit
Indian Statistical Institute
203, Barrackpore Trunk Road
Calcutta | Member |
| 16. | Prof. T.L. Sankar
Administrative Staff College
Bella Vista
Hyderabad | Member |
| 17. | Prof. Suresh Tendulkar
Director
Delhi School of Economics
University of Delhi
Delhi-110007 | Member |

Under Rule 7(b)(x) - One to be co-opted:

- | | | |
|-----|--|--------|
| 18. | Shri Y.H. Malegam
Director
Central Board of Directors
Reserve Bank of India
Mumbai | Member |
|-----|--|--------|

Under Rule 7(b)(xi) - Director of NIPFP:

- | | | |
|-----|-------------------------------------|------------------|
| 19. | Dr. Ashok Lahiri
Director, NIPFP | Member-Secretary |
|-----|-------------------------------------|------------------|

Under Rule 7(b)(xii) - One Senior Fellow by rotation for one year:

- | | | |
|-----|---|--------|
| 20. | Dr. (Mrs.) Indira Rajaraman
Senior Fellow, NIPFP | Member |
|-----|---|--------|

Special Invitees:

1. Dr. Shankar N. Acharya
Chief Economic Adviser
Ministry of Finance
North Block
New Delhi-110001
2. Shri Ravi Kant
Chairman
Central Board of Direct Taxes
Ministry of Finance
North Block
New Delhi-110001
3. Shri R. Gopalanathan
Chairman
Central Board of Excise and Customs
Ministry of Finance
North Block
New Delhi-110001

LIST OF STUDIES 1997-98

Title	Sponsoring Agency/Research Unit of the Institute	Author(s)/ Research team
Studies completed		
1. Design of a Land Based Agricultural Presumptive Tax for Use by <i>Panchayats</i>	UNDP	Indira Rajaraman M.J. Bhende
2. State Fiscal Studies: Punjab	The World Bank	Indira Rajaraman Hiranya Mukhopadhyay H.K. Amarnath
3. Public Expenditure on Water	The World Bank	Om Prakash Mathur
4. Municipal Debt Financing in India	NIUA/USAID FIRE Project	Narayanan Edadan Om Prakash Mathur
5. The Role of Transfers in Municipal Finances: A Reform Agenda	UNDP	Om Prakash Mathur
6. Property Taxation in India: An Agenda for Reform	UNDP	Om Prakash Mathur
7. Tax Administration at the State Level: Profession Tax	UNDP/SFU	Tapas K. Sen
8. Pollution Taxes for Industrial Water Pollution	Ministry of Environment & Forests	Rita Pandey
9. Report on Reform of Customs Law and Procedures	UNDP	P. Shome S. Mukhopadhyay Saumen Chattopadhyay

Title	Sponsoring Agency/Research Unit of the Institute	Author(s)/ Research team
Studies-in-progress		
1. State Fiscal Studies: Assam	The World Bank	D.K. Srivastava Saumen Chattopadhyay T.S. Rangamannar
2. External Assistance to India: Concessionality and Transmission to States	Ministry of Finance	D.K. Srivastava C. Bhujanga Rao T.S. Rangamannar
3. Central Subsidies in India	Ministry of Finance	D.K. Srivastava C. Bhujanga Rao
4. Drafting of a Model Statute for Value Added Tax	Ministry of Finance	Amaresh Bagchi Mahesh C. Purohit Jeejabai Manay
5. State Fiscal Studies: Kerala	The World Bank	D.K. Srivastava Saumen Chattopadhyay
6. Delhi Fiscal Study	The World Bank	Om Prakash Mathur
7. Expenditure Management in Higher Education	Ministry of HRD	A.K. Ghosh
8. Property Titling, Registration and Conveyance	Department of Administrative Reforms and Public Grievances	Om Prakash Mathur
9. Local Finance Data System	Ministry of Finance	Om Prakash Mathur
10. Reform of the Indian Stamp Act, 1899	Ministry of Finance (Deptt. of Revenue)	Om Prakash Mathur
11. Effects of Changes in Environment on Health Status of People in a Given Region (Delhi)	Ford Foundation	A.L. Nagar Harmeet Singh Maddh Ms. Sharmistha Ms. Anindita

Title	Sponsoring Agency/Research Unit of the Institute	Author(s)/ Research team
12. Fiscal Adjustment and its Impact on Health Sector	Ford Foundation	V. Selvaraju
13. Tax Administration at the State Level: Motor Vehicle Tax	UNDP	Tapas K. Sen
14. Tradeable Permit Markets for Air Pollution for Intra-Firm Trading	Ministry of Environment and Forests	Rita Pandey
15. A Study of Common Effluent Treatment Plants in India	Ministry of Environment and Forests	Rita Pandey Saubhik Bera
16. Internal Debt Sustainability	Ford Foundation	Indira Rajaraman Abhiroop Mukhopadhyay
17. State Fiscal Studies: Tamil Nadu	The World Bank	J.V.M. Sarma Gautam Naresh O.P. Bohra
18. State Fiscal Studies: Haryana	The World Bank	Tapas K. Sen R. Kavita Rao
19. Impact of Central Grants on State Expenditures	Ford Foundation/ SFU	Tapas K. Sen
20. Indebtedness and Liability of Indian States	SFU	Tapas K. Sen
21. Possible Transfer Pricing: Guidelines for India	UNDP	Amaresh Bagchi

Working Papers

- | | | |
|----|--|----------------------|
| 1. | Cascading, Revenue Neutrality and the VAT: Some Theoretical Results (W.P. No. 3/97) (April 1997) | Hiranya Mukhopadhyay |
| 2. | Designing of Pigouvian Tax for Pollution Abatement in Sugar Industry (W.P. No.4/97) (May 1997) | Rita Pandey |
| 3. | Relative Tax Efforts by Indian States (W.P. No. 5/97) (May 1997) | Tapas K. Sen |
| 4. | Reforming the Property Tax Base : Need for a New Direction (W.P. No. 1/98) (January 1998) | Amaresh Bagchi |

Annexure-III

INTERNAL SEMINAR SERIES

Sl. No.	Day and Date	Seminar Person's Name	Topic
1.	Tuesday April 1, 1997	Dr. Martin Muhleisen, International Monetary Fund, Asia and Pacific Department	<i>Improving India's Saving Performance</i>
2.	Monday July 21, 1997	Dr. Kausik Chaudhuri, NIPFP (paper written in co-authorship with Dr. Ning S. Zhu)	<i>External Debt Sustainability: Theory and Applications to Heavily Indebted Poor Countries</i>
3.	Monday September 8, 1997	Dr. Sukumar Ganapati, University of Southern California, Los Angeles	<i>Potential of Cooperatives for Low Income Housing: An Institutional Analysis</i>
4.	Friday October 17, 1997	Mr. Philip Costas, Director, Asia Regional Office in Manila for the American Consulting Engineers Council	<i>Infrastructure Development and Financing: Priorities, Risks, and Private Sector Investment</i>
5.	Monday November 10, 1997	Prof. T.V.S. Rammohan Rao, Department of Humanities and Social Sciences, IIT, Kanpur	<i>Capital Structure and Corporate Control</i>
6.	Monday November 24, 1997	Dr. Vinay Swaroop, Economist, Development Research Group, The World Bank	<i>Fiscal Effects of Foreign Aid A Case Study of India</i>

Sl. No.	Day and Date	Seminar Person's Name	Topic
7.	Thursday February 19, 1998	Mr. Hideichiro Hamanaka, President, Institute of Fiscal and Monetary Policy, Ministry of Finance, Japan	<i>The Asian Crisis</i>
8.	Monday February 23, 1998	Prof. Clive Bell, Heidelberg University, Germany	<i>Finance-led Industrialization and the Indian Economy, 1951-1995</i>
9.	Tuesday February 24, 1998	Prof. Clive Bell, Heidelberg University, Germany	<i>Inequality and Economic Performance in Rural India since 1955</i>
10.	Monday March 16, 1998	Dr. Tapas K. Sen and Kavita Rao, NIPFP	<i>State Fiscal Studies: Haryana</i>
11.	Monday March 16, 1998	Dr. D.K. Srivastava, Mr. T.S. Ranganannan and Saumen Chattopadhyay	<i>State Fiscal Studies: Assam</i>

LIST OF PRICED PUBLICATIONS

Annexure-IV

1. *Incidence of Indirect Taxation in India 1973-74* R.J. Chelliah & R.N. Lal (1978) Rs 10.
2. *Incidence of Indirect Taxation in India 1973-74* R.J. Chelliah & R.N. Lal (Hindi Version) (1981) Rs 20.
3. *Trends and Issues in Indian Federal Finance* R.J. Chelliah & Associates (Allied Publishers) (1981) Rs 60.
4. *Sales Tax System in Bihar** R.J. Chelliah & M.C. Purohit (Somaiya Publications) (1981) Rs 80.
5. *Measurement of Tax Effort of State Governments 1973-76** R.J. Chelliah & N. Sinha (Somaiya Publications) (1982) Rs 60.
6. *Impact of the Personal Income Tax* Anupam Gupta & Pawan K. Aggarwal (1982) Rs 35.
7. *Resource Mobilisation in the Private Corporate Sector* Vinay D. Lall, Srinivas Madhur & K.K. Atri (1982) Rs 50.
8. *Fiscal Incentives and Corporate Tax Saving* Vinay D. Lall (1983) Rs 40.
9. *Tax Treatment of Private Trusts* K Srinivasan (1983) Rs 140.
10. *Central Government Expenditure: Growth, Structure and Impact (1950-51 to 1978-79)* K.N. Reddy, J.V.M. Sarma & N. Sinha (1984) Rs 80.
11. *Entry Tax As An Alternative to Octroi* M.G. Rao (1984) Rs 40 Paperback, Rs 80 Hardcover.
12. *Information System and Evasion of Sales Tax in Tamil Nadu* R.J. Chelliah & M.C. Purohit (1984) Rs 50.
13. *Evasion of Excise Duties in India: Studies of Copper, Plastics and Cotton Textile Fabrics (1986)* A. Bagchi et. al (1986) Rs 180.
14. *Aspects of the Black Economy in India* (also known as "Black Money Report") Shankar N. Acharya & Associates, with contributions by R.J. Chelliah (1986) Reprint Edition Rs 270.
15. *Inflation Accounting and Corporate Taxation* Tapas Kumar Sen (1987) Rs 90.

16. Sales Tax System in West Bengal A. Bagchi & S.K. Dass (1987) Rs 90.
17. Rural Development Allowance (Section 35CC of the Income-Tax Act, 1961): A Review H.K. Sondhi & J.V.M. Sarma (1988) Rs 40 Paperback.
18. Sales Tax System in Delhi R.J. Chelliah & K.N. Reddy (1988) Rs 240.
19. Investment Allowance (Section 32A of the Income Tax Act, 1961): A Study J.V.M. Sarma & H.K. Sondhi (1989) Rs 75 Paperback, Rs 100 hardcover.
20. Stimulative Effects of Tax Incentive for Charitable Contributions: A Study of Indian Corporate Sector Pawan K. Aggarwal (1989) Rs 100.
21. Pricing of Postal Services in India Raghendra Jha, M.N. Murty & Satya Paul (1990) Rs 100.
22. Domestic Savings in India - Trends and Issues Uma Datta Roy Chaudhury & Amaresh Bagchi (Ed.) (1990) Rs 240.
23. Sales Taxation in Madhya Pradesh M. Govinda Rao, K.N. Balasubramanian and V.B. Tulasidhar (Vikas Publishing House) (1991) Rs 125.
24. The Operation of MODVAT A.V.L. Narayana, Amaresh Bagchi and R.C. Gupta, (Vikas Publishing House) (1991) Rs 250.
25. Fiscal Incentives and Balanced Regional Development: An Evaluation of Section 80 HH Pawan K. Aggarwal and H.K. Sondhi (Vikas Publishing House) (1991) Rs 195.
26. Direct Taxes in Selected Countries : A Profile (Vol.I & II) Rs 100.
27. Effective Incentives for Aluminium Industry in India: Monograph Series - I Bishwanath Goldar (1991) Rs. 100.
28. Survey of Research on Fiscal Federalism in India, Monograph Series - II M.Govinda Rao and R.J. Chelliah (1991) Rs. 100.
29. Revenue and Expenditure Projections: Evaluation and Methodology V.G. Rao, Revised and Edited by Atul Sarma (Vikas Publishing House) (1992) Rs. 195.
30. Sales Tax Systems in India: A Profile 1991 Rs 150.
31. State Finances in India Amaresh Bagchi, J.L. Bajaj and William A. Byrd (ed.) (1992) Rs 450.
32. Fiscal Policy for the National Capital Region Mahesh C. Purohit, C. Sai Kumar, Gopinath Pradhan and O.P. Bohra (1992) Rs. 225.
33. Import Substitution in the Manufacturing Sector, Monograph Series III, Hasheem N. Saleem (1992) Rs 150.
34. Sales Tax Systems in India: A Profile, 1993 Rs. 150.

35. The Ninth Finance Commission: Issues and Recommendations (a Selection of Papers) (1993) Rs.490.
36. Direct Taxes in Selected Countries: A Profile (Vol. III) compiled by K. Kannan and Mamta Shankar (1993) Rs.80.
37. Inter-State and Intra-State Variations in Economic Development and Standard of Living (Monograph Series IV) (1993) Uma Datta Roy Choudhury Rs.200.
38. Tax Policy and Planning in Developing Countries Amaresh Bagchi and Nicholas Stern (Ed.) (1994) (Oxford University Press) Rs.435.
39. Reform of Domestic Trade Taxes in India: Issues and Options Study Team (1994) Rs.250.
40. Private Corporate Sector : Generation and Regeneration of Wealth Uma Datta Roy Chaudhury (Vikas Publishing House) (1996) Rs.395.
41. Controlling Pollution: Incentives and Regulations Shekhar Mehta, Sudipto Mundle and U. Sankar (Sage Publications) (1997) Rs.250.
42. India: Tax Policy for the Ninth Five Year Plan (1997-98 to 2001-02) (Report of the Working Group on Tax Policy of the Steering Group on Financial Resources - Chairman Parthasarathi Shome) (Centax Publications Pvt. Ltd.) (1997) Rs.350.
43. Value Added Tax in India: A Progress Report Parthasarathi Shome (Ed.) (Centax Publications Pvt. Ltd.) (1997) Rs.250.
44. Fiscal Policy Public Policy & Governance Parthasarathi Shome (Ed.) (Centax Publications Pvt. Ltd.) (1997) Rs.400.
45. Government Subsidies in India D.K. Srivastava and Tapas K. Sen (1997) Rs.285.
46. Economic Instruments for Environment Sustainability U. Sankar and Om Prakash Mathur (1988) Rs.150.

Note: Publications at Sl. No. 1 to 18 are out of stock.

- * Available with respective publishers. Publications sent against draft/pay order. Postage Rs 25 per copy. 10% discount is available on all Publications.

LIST OF PUBLICATIONS

Annexure-V

Amaresh Bagchi

- a. "Tax Assignment in the Indian Federation: A Critique" (1998), Isher Judge Ahluwalia and IMD Little (eds.) *India's Economic Reforms and Development: Essays for Manmohan Singh*. New Delhi: Oxford University Press.
- b. "Taxation of Goods and Services in India: An Overview" (1997), Sudipto Mundle (ed.) *Public Finance - Policy Issues for India*. New Delhi: Oxford University Press.
- c. "Reforming the Property Tax Base: Need for a New Direction" (1997), *Economic and Political Weekly* XXXII (47); November 22.
- d. "Reforming the Property Tax Base : Why it must go". (1997), *Economic and Political Weekly*; August 16-23.

Om Prakash Mathur

- a. "Regional Development Planning and Management in Asia : Retrospective and Prospective Review". (1997), Mimeo, NIPFP, July.
- b. "Fiscal Innovations and Urban Governance" (1997), Mimeo, NIPFP, July.

Mahesh C. Purohit

- a. "Central Excise Duty and Modified Value Added Tax" (1997), *Tax Notes International*; May 26, pp. 1709-1713.
- b. "Transfer Pricing Regulations in India : Challenges Ahead" (1997), *Bulletin for International Fiscal Documentation*, Special Issue, 51st Congress, October; pp.438-446.
- c. "Rejuvenating Local Finances" (1997), *Business Standard*, May 20.
- d. "Challenges in Transfer Pricing" (1997), *Business Standard*, June 14.
- e. "Transfer Pricing - Emerging Issues" (1997), *Economic Times*, November 5.
- f. "The Transfer Pricing Menace" (1997), *Business Standard*, December 22.
- g. "Budget for Reform and Consolidation" (1998), *The Chartered Accountant*, January.

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Indira Rajaraman

- a. "Presumptive Taxation and Governance" (1997), Parthasarathi Shome (ed.) *Fiscal Policy, Public Policy and Governance*. New Delhi: NIPFP; pp.128-168.
- b. "A Profile of Economic Reform in India" (1997), School of Public Policy, University of Birmingham, Paper 22.
- c. "Review of India : The Future of Economic Reform" (1997), Robert Cassen and Vijay Joshi (eds.) *Journal of Development Economics* 53(2); 489-492.
- d. "Review of World Development Report" (1997), *Economic and Political Weekly*, XXXII (41), 11 October; 2589-2591.
- e. "A Land Based Agricultural Presumptive Tax Designed for Levy by Panchayats" (co-author) (1998), *Economic and Political Weekly* XXXIII(14), 4 April; 765-778.

D.K. Srivastava

- a. Srivastava D.K., Sen Tapas Kumar, Rao C. Bhujanga et. al. (1997), *Government Subsidies in India* New Delhi: NIPFP.
- b. "Budget Processes and Expenditure Management in India (1997), P. Shome (ed.) *Fiscal Policy, Public Policy and Governance*, New Delhi: NIPFP.
- c. "Revenue Sharing with the Linear Distance Criterion " (co-author) (1997), *Artha Vijnana* 39 (4).
- d. "On the Role of Population in Criteria-Based Revenue Sharing in India" (co-author) (1997), *Journal of Indian School of Political Economy* 9 (1).
- e. "Dearth of Private Capital Flows in Sub-Saharan Africa" (co-author) (forthcoming), *Applied Economics Letters*. London: Routledge.
- f. "Government Subsidies in India" (1997), *The Chartered Accountant*; July.
- g. "Federal India : Emerging Fiscal and Economic Issues" (forthcoming), New Delhi: Centre for New Perspectives.

Pawan K. Aggarwal

- a. *Who Pays the Tax : A Study of Incidence of Indirect Taxes in India*. (1998), Delhi: Gayatri Publications.
- b. "Revenue Sharing with the Linear Distance Criterion" (1997), *Artha Vijnana* 39 (4), December ; pp 397-420.

- c. "Modified Value Added Tax (MODVAT) Reforms and Revenue Productivity" (1997), Shome Parthasarathi (ed.) *Value Added Tax in India : A Progress Report* New Delhi: NIPFP; pp. 17-31.
- d. "Modified Value Added Tax (MODVAT) : Structure and Resource Mobilisation" (1997), *India : Tax Policy for the Ninth Five Year Plan 1997-98 to 2001-02) - Report of the Working Group on Financial Resources* (1997) Chairman: Parthasarathi Shome. New Delhi: NIPFP; pp. 52-70.
- e. "Tax Evasion and Tax Administration : A Focus on Tax Deduction at Source" (1997), Parthasarathi Shome (ed.) *Fiscal Policy, Public Policy and Governance* New Delhi: NIPFP; pp. 99-127.
- f. "Tax Administration" (1997), *India : Tax Policy for the Ninth Five Year Plan (1997-98 to 2001-02) - Report of the Working Group on Financial Resources* (1997), (Chairman Parthasarathi Shome) New Delhi: NIPFP; pp. 56-85.

Rita Pandey

- a. "Subsidies to Government Employees through Staff Housing" (co-authored) (1997), *Economic and Political Weekly*; September 12.
- b. "Volume and Composition of Housing Subsidies through the Central Government" (co-authored) (forthcoming), *Habitat International* 22 (2).
- c. "Pricing Industrial Pollution : A Case Study of India" (forthcoming), *The Developing Economics*.

Hiranya Mukhopadhyay

- a. "Monetary Transmission Mechanism : The Credit Channel Hypothesis Revisited" (1997), Mimeo, NIPFP; July.
- b. "Was the Industrial Deceleration a Result of Credit Crunch: A Disequilibrium Approach" (1997), *Economic and Political Weekly*, May 3-9.
- c. "Quantitative Analysis of Economic Reform Outcomes of the Indian Manufacturing Sector" (1988), M. Hossain and J. Málborn (ed.) *Who Benefits from Privatisation?* London: Routledge.

C. Bhujanga Rao

- a. Srivastava D.K., Rao C. Bhujanga and Sen Tapas Kumar et. al. (1997), *Government Subsidies in India* New Delhi: NIPFP.

Kaushik Chaudhuri

- a. "Long Run Equilibrium Real Exchange Rates and Oil Prices" (co-authored) (forthcoming), *Economic Letters*.
- b. "Purchasing Power Parity : Evidence from South East Asian Countries (forthcoming), *Indian Journal of Economics*.
- c. "Long Run Prices of Primary Commodities and Oil Prices" (forthcoming), *Applied Economics*.

Gautam Naresh

- a. "The Municipal Corporation of Delhi : A Fiscal Analysis" (1996), *Urban India* XVI (i), January-June; 47-90.
- b. "Expenditure Functions of a Local Body: Some Estimates" (1997), *The Indian Economic Journal* (Annual Number), LXXVIII(308) July; 79-100.
- c. "Municipal Expenditure in India : A Cross Sectional and Time-Consistent Analysis" in *Local Government Finances in India* Proceedings of the National Conference on *Emerging Trends in Indian Local Government Finances* held at the NIRD, Hyderabad 24-25 October 1996; pp 82-124.
- d. *Financing Local Governments in India: Concepts, Measurement and Responsiveness* (1998). Delhi : Gayatri Publications.

O.P. Bohra

- a. "Women in Decentralised Democracy" (1997), *Journal of Rural Development* 16 (4); 673-683.

Annexure-VI

LIST OF STAFF MEMBERS AS ON 31.3.98

ACADEMIC STAFF

1.	Dr. R.J. Chelliah	Chairman
2.	Dr. Ashok Lahiri	Director (joined on 17.2.98)
3.	Dr. A. Bagchi	Professor Emeritus
4.	Prof. O.P. Mathur	Senior Adviser
5.	Dr. Mahesh C. Purohit	Senior Fellow
6.	Dr. M.G. Rao	Senior Fellow (resigned w.e.f. 13.3.98)
7.	Dr. (Mrs.) Indira Rajaraman	Senior Fellow
8.	Dr. D.K. Srivastava	Senior Fellow
9.	Dr. Pawan Kr. Aggarwal	Senior Fellow (joined on 29.12.97)
10.	Dr. J.V.M. Sarma	Senior Fellow (joined on 19.12.97)
11.	Dr. Tapas Sen	Fellow
12.	Dr. (Mrs.) Rita Pandey	Fellow
13.	Dr. Hiranya Mukhopadhyay	Senior Economist
14.	Dr. R. Kavita Rao	Senior Economist
15.	Dr. (Mrs.) Aparna Sawhney	Senior Economist
16.	Dr. C. Bhujanga Rao	Senior Economist
17.	Mrs. Hasheem N. Saleem	Economist (on leave)
18.	Shri Soumen Chatopadhyay	Economist
19.	Dr. Gautam Naresh	Economist
20.	Shri V. Selvaraju	Economist
21.	Shri Diwan Chand	Data Maintenance Officer
22.	Mrs. Sujata Datta	Research Associate
23.	Dr. O.P. Bohra	Research Associate
24.	Mrs. Gita Bhatnagar	Research Associate
25.	Shri M.M. Ghosh	Research Associate
26.	Shri H.K. Amarnath	Research Associate

ADMINISTRATIVE STAFF

1.	Mrs. A. David	Private Secretary
2.	Ms. Sushila	P.S. to Chairman (on deputation to UNDP)
3.	Shri Bhagwan Mann	Programme Development Officer
4.	Shri N. Natarajan	P.S. to Director
5.	Shri Naveen Bhalla	Administrative Officer

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6.	Mrs. H. Gautam	Accounts Officer
7.	Mrs. Rita Wadhwa	Editor (joined on 3.11.97)
8.	Shri R. Parameswaran	Stenographer Gr. I
9.	Shri R. Periannan	Stenographer Gr. I
10.	Shri R.S. Tyagi	Stenographer Gr. I
11.	Shri Praveen Kumar	Stenographer Gr. I
12.	Shri Hari Shankar	Hostel Incharge
13.	Shri Satish Prabhu	Executive Officer
14.	Shri S.C. Sharma	Assistant
15.	Shri Bhaskar Mukherjee	Assistant
16.	Mrs. Indira Hassija	Assistant
17.	Shri Parvinder Kapur	Stenographer Gr. II
18.	Shri S.N. Sharma	Assistant
20.	Shri J.S. Rawat	Assistant
21.	Smt. Promila Rajvanshi	Stenographer Gr. II
22.	Shri Sharad Aggarwal	Assistant (Accounts)
23.	Shri Kapil Kumar Ahuja	Steno-Typist
24.	Smt. Kavita Issar	Steno-Typist-cum-Telephone Operator
25.	Shri V.M. Budhiraja	Clerk (Accounts)
26.	Shri Nand Ram	Clerk-cum-Typist
27.	Shri Birendra Singh Rawat	Clerk (Accounts)
28.	Shri Rajinder Negi	Steno-Typist
29.	Shri Anurodh Sharma	Steno-Typist
30.	Ms. Ruchi Lamba	Receptionist-cum-Telephone Operator
31.	Shri P. Sreedharan	Staff Car Driver
32.	Shri H.B. Pandey	Gestetner Operator
33.	Shri Devi Singh	Hostel Attendant
34.	Shri Dhanpat	Hostel Attendant
35.	Shri Raju	Photocopier Operator-cum-Driver
36.	Shri Lal Bahadur	Watchman
37.	Shri Jokhan Maurya	Watchman
38.	Shri Kishan Singh	Messenger
39.	Shri Bishamber Pandey	Messenger
40.	Shri Mohan Singh	Messenger
41.	Shri Shiv Bahadur	Gardener
42.	Smt. Palayee	Gardener
43.	Smt. Kamla Tiwari	Messenger
44.	Shri Shiv Pratap	Gardener
45.	Smt. Annamma George	Messenger

COMPUTER STAFF

- | | | |
|----|------------------------|------------------------------|
| 1. | Shri K.K. Atri | EDP Manager |
| 2. | Shri A.K. Halen | Programmer |
| 3. | Shri Jagdish Arya | Data Processing Asstt. Gr. B |
| 4. | Shri Anil Kumar Sharma | Assistant (Comp. Opr.) |

LIBRARY STAFF

- | | | |
|----|--------------------|-----------------------|
| 1. | Shri N.K. Khatri | Librarian |
| 2. | Mrs. Shashi Gupta | Assistant Librarian |
| 3. | Shri Dinesh Chand | Assistant Librarian |
| 4. | Smt. Sudha Saxena | Sr. Library Assistant |
| 5. | Shri P.C. Upadhyay | Library Assistant |
| 6. | Shri Dharamvir | Sr. Library Attendant |
| 7. | Shri Hira Singh | Jr. Library Attendant |

CONTRACTUAL ACADEMIC STAFF:

- | | | |
|-----|--------------------------|--------------------------------------|
| 1. | Shri A.K. Ghosh | Senior Consultant (joined on 5.6.97) |
| 2. | Prof. A.L. Nagar | Senior Consultant (joined on 2.7.97) |
| 3. | Shri T.S. Rangamannar | Consultant |
| 4. | Shri Sandeep Thakur | Project Associate |
| 5. | Ms. Ishita Sengupta | Project Associate |
| 6. | Shri Anil Kumar Yadav | Project Associate |
| 7. | Shri Soumen Bagchi | Project Associate |
| 8. | Shri A. Mukhopadhyay | Project Associate |
| 9. | Ms. Sarmistha Mukherjee | Project Associate |
| 10. | Shri S.S. Pattanayak | Project Associate |
| 11. | Shri Ghanshyama Mohanty | Project Associate |
| 12. | Shri Atulan Guhar | Project Associate |
| 13. | Shri Harmeet Singh Maddh | Project Associate |
| 14. | Ms. Sarmistha Roy | Project Associate |
| 15. | Ms. Deepa Raghvan | Jr. Project Associate |
| 16. | Ms. Anindita Chakroborty | Jr. Project Associate |
| 17. | Shri Saubhik Deb | Jr. Project Associate |
| 18. | Shri Soham Baksi | Jr. Project Associate |
| 19. | Shri Raju Majumdar | Jr. Project Associate |

CONTRACTUAL COMPUTER STAFF:

- | | | |
|----|---------------------|-------------------------------|
| 1. | Shri N.K. Singh | Programmer-cum-System Analyst |
| 2. | Shri Sathish Kamath | Programming Assistant |

CONTRACTUAL LIBRARY STAFF

- | | | |
|----|-----------|-------------------|
| 1. | Ms. Manju | Library Assistant |
|----|-----------|-------------------|

CONTRACTUAL ADMINISTRATIVE STAFF:

- | | | |
|----|--------------------|-------------------------|
| 1. | Shri C.L. Khanna | Associate (Admin & Fin) |
| 2. | Shri S.C. Hanslas | Stenographer |
| 3. | Shri S.P. Malhotra | Stenographer |
| 4. | Shri D.D. Sharma | Assistant |
| 5. | Ms. Asha Rawat | Steno-typist |
| 6. | Ms. Usha Mathur | Steno-typist |
| 7. | Shri V. Karketta | Peon |
| 8. | Shri Rup Singh | Peon |

Annexure -VII

LIST OF SPONSORING, CORPORATE, PERMANENT AND
ORDINARY MEMBERS AS ON 31.3.1998

A. Sponsoring Members

States

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

Others

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

B. Permanent Members

States/Union Territories

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

C. Ordinary Members

States/Union Territories

1. Haryana
2. Delhi Administration

Others

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

ANNUAL ACCOUNTS

NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY
NEW DELHI

STATEMENT OF FINANCIAL POSITION AS AT 31.03.98

	SCHEDULE REF	As at 31.03.98		As at 31.03.97	
		Rs.	P.	Rs.	P.

SOURCES					
Assets & Endowment Fund	1	44452508		41112839	
Earmarked Funds	2	16134215		12282422	
Loan Funds	3	815852		1050076	
Unutilised Grants	4	13668778		3547180	

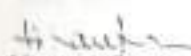

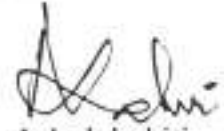
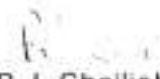
TOTAL		75071353		57992517	

APPLICATION					
Fixed Assets	5	24280307		22341490	
Investment of Earmarked and other Funds	6	37807420		29677420	
Net Current Assets	7	12983626		5493897	
Accumulated Deficit	8	-		479710	

TOTAL		75071353		57992517	


Notes forming part of Accounts 15

Schedules referred above form integral part of this Statement.

			
Mrs. H. Gautam Accounts Officer	Mr. B.K. Chakaravarti Secretary	Dr. Ashok Lahiri Director	Dr. R.J. Chelliah Chairman

As per our report of even date

For THAKUR, VAIDYANATH IYER & CO.



(R. BALACHANDER)

Partner

CHARTERED ACCOUNTANTS

PLACE: NEW DELHI

DATED: - 6 AUG 1993



NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY
NEW DELHI

INCOME AND EXPENSES STATEMENT FOR THE YEAR ENDED 31st MARCH 1998

SCHEDULE		As at 31.03.99 Rs. P	As at 31.03.97 Rs. P

INCOME			
Grants – General Support	9	13,099,245	10,007,305
Project Support	13	2,952,054	4,329,296
Endowment Chairs/Cells	14	1,174,044	978,436
Project Fees		5,666,449	3,918,821
Course and Programme Fees		236,000	1,052,141
Corporate Membership fees		30,000	30,000
Interest on Investment		843,836	825,368
Other Receipt		1,175,350	529,370
TOTAL		25,176,978	21,670,737

EXPENSES			
Reaserch Activities			
Salary and Allowances	10	10,164,562	6,771,795
Operational Expenses	11	1,162,322	1,527,298
Administrative Expenses	12	4,625,013	4,641,928
Expenses on Projects	13	2,952,054	4,329,296
Expenses on Endowment Chairs/Cells	14	1,174,044	978,436
		20,077,995	18,248,753
Cost of assets acquired during the year		2,205,448	2,251,096
Depreciation		1,705,141	1,431,168
TOTAL		23,988,584	21,931,017
Surplus / (Deficit) for the year		1,188,394	(260,280)

Schedules referred above form integral part of this Statement.

Mrs. H. Gautam
Accounts Officer

Mr. B.K. Chakaravarti
Secretary

Dr. Ashok Lahiri
Director

Dr. R.J. Chelliah
Chairman

As per our report of even date

For THAKUR, VAIDYANATH IYER & CO.


(R. BALACHANDER)
Partner
CHARTERED ACCOUNTANTS

PLACE: NEW DELHI
DATED:

NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY
NEW DELHI

Schedule - 1

ASSETS AND ENDOWMENT FUNDS

1. Assets Fund

	As at 31.3.98 Rs. p.	As at 31.3.97 Rs. p.
Balance at the beginning of the year	20,142,508	16,878,562
Add: Assets added during the year	2,504,448	3,124,371
Add: Imputed rent	290,986	286,875
	22,937,942	20,289,808
Less: Assets Disposed	565,631	147,300
	22,372,311	20,142,508

2. Endowment Fund

a. Ford Foundation	6,177,924	6,177,924
Add: during the year	-	-
	6,177,924	6,177,924
b. Endowment Fund	3,915,000	3,915,000
Add: during the year	-	-
	3,915,000	3,915,000
c. Scientific Research Fund	727,407	727,407
Add: during the year	-	-
	727,407	727,407
d. Life Membership Fund	120,000	120,000
Add: during the year	-	-
	120,000	120,000
e. Government Grant	10,000,000	10,000,000
Add: during the year	-	-
	10,000,000	10,000,000
f. Additional Liability Fund	1,109,866	-
	1,109,866	-
g. Bimla Bagchi Award	30,000	30,000
	30,000	30,000

TOTAL

44,452,508

41,112,839

NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY
NEW DELHI

Schedule - 2

MARKED FUNDS

	As at 31.3.98		As at 31.3.97	
	Rs.	p.	Rs.	p.
Depreciation Fund				
Balance at the beginning of the year	10,214,933		8,860,341	
Add: Depreciation during the year	1,705,141		1,431,168	
	11,920,074		10,291,509	
Add: Interest earned - during the year	696,575		499,226	
	12,616,649		10,790,735	
Less: Accumulated depreciation on deletion	197,562		115,801	
	12,419,087		10,674,933	
Less: Assets Purchased	-		460,000	
	12,419,087		10,214,933	
Ford Foundation Fund				
Interest accumulation				
Balance at the beginning of the year	2,063,414		1,193,175	
Add: Interest earned during the year	534,801		1,703,721	
	2,598,215		2,896,896	
Less: Expenditure during the year	769,130		833,483	
	1,829,085		2,063,414	
Gouvernement Grant				
a) Endowment				
Interest accumulation	-		-	
Add: Interest earned during the year	1,251,345		-	
	1,251,345		-	
b) Grant for Augmentation infrastructural Facilities				
Add: Interest earned during the year	629,122		-	
	1,880,468		-	
Bimla Bagchi Award Fund				
Interest accumulation				
Balance at the beginning of the year	4,075		-	
Add: Interest earned during the year	4,500		4,075	
	8,575		4,075	
Less: Awards distributed during the year	3,000		-	
	5,575		4,075	
TOTAL	16,134,215		12,282,422	

NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY
NEW DELHI

Schedule - 3

LOAN FUNDS

	As at 31.3.98		As at 31.3.97	
	Rs.	p.	Rs.	p.
Loan from Housing Development Finance Corporation	1,050,076		1,256,440	
Less: Repayment of loan for the year	234,224		206,365	
TOTAL	815,852		1,050,076	



UNUTILISED GRANTS

Source	Balance as on 01.04.97		Fresh Receipts/ Interest	TOTAL		Utilisation		Transferred to Income		Balance as on 31.03.1998					
	Unutilised Recoverable			Rs.	P.	Rs.	P.	Assets Purchased Rs.	Other Expenses Rs.	Total	Rs.	P.	Unutilised Recoverable Rs.	P.	
	Rs.	P.													Rs.
1. Grant from Governments															
a. Central Government	252,695	-	20,819,000	252,695	20,819,000	1,500,000	-	252,695	10,639,245	252,695	12,139,245	8,679,755	-		
2. Grants from Ford Foundation															
a. Industrial Policy Research	1,239	-	-	1,239	-	-	-	-	-	-	-	1,239	-		
b. Post-Doctoral Research Fellowship	474,762	-	789,752	1,264,524	-	-	-	178,352	-	178,352	-	1,086,172	-		
c. Health Economics and Financing in India	787,093	-	40,435	827,528	-	-	-	409,814	-	409,814	-	417,714	-		
3. Fiscal Policy - London School	496,516	-	20,733	517,249	-	-	-	248,480	-	248,480	-	268,769	-		
4. World Bank - Water Global															
5. Asian Development Bank	11,752	-	1,124,835	1,124,835	-	-	-	255,776	-	255,776	-	869,059	-		
6. Indo Canadian	88,360	-	-	88,360	-	-	-	-	-	-	-	11,752	-		
7. UNDP	-	227,477	2,826,910	2,599,433	-	299,000	-	788,668	-	1,087,668	-	1,511,765	-		
8. Endowment Chairs/Cells															
a. HDFC Chair	578,342	-	-	578,342	-	-	-	467,367	-	467,367	-	110,975	-		
b. Cell on Data Bank	40,498	-	-	40,498	-	-	-	-	-	-	-	40,498	-		
c. State Finance Cell	555,378	-	154,336	709,714	-	-	-	355,757	-	355,757	-	199,621	-		
d. RBI Chair	65,282	-	-	219,618	-	-	-	350,920	-	350,920	-	131,302	-		
9. IRIIS	106,265	-	-	106,265	-	-	-	-	-	-	-	106,265	-		
10. WRI	88,988	-	90,670	179,658	-	-	-	480	-	480	-	179,178	-		
11. World Bank (Environment)			100,000	100,000	-	-	-	2,353	-	2,353	-	97,647	-		
TOTAL (1 to 11)	3,547,180	-	25,966,681	29,513,861	-	1,799,000	-	13,949,608	-	15,748,608	-	13,668,778	-		
Previous Year	3,043,465	-	14,283,306	17,326,771	-	1,913,275	-	11,218,661	-	13,131,936	-	3,547,180	-		

* This represents previous year unutilised balance refunded

NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY
NEW DELHI

FIXED ASSETS

Name of the Assets	Balance As on 01.04.97		Additions the Year		During the Year		Sale/Adjustment during the Year		Balance As on 31.3.98	
	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.
1. Land Leasehold	638,753	-	-		-		-		638,753	
2. Building										
a. Administrative	5,587,342		-		-		-		5,587,342	
b. Residential	4,139,412		-		-		-		4,139,412	
3. EDP & Office Equipment	8,367,796		1,736,064		11,751		400,000		9,715,611	
4. Furniture & Fixture										
a. Office	1,858,206		-		179,888		-		2,038,095	
b. Others	532,920		62,936		-		-		595,856	
5. Other Equipment	740,254		-		129,646		-		869,900	
6. Vehicles	476,806		-		384,163		165,631		695,338	
TOTAL	22,341,490		1,799,000		705,448		565,631		24,280,307	
Previous Year	19,364,419		1,913,275		1,211,096		147,300		22,341,490	

SCHEDULE - 6

INVESTMENT

Nature of the Investment	Ford Foundation Rs. P.	Other Endowment Funds Rs. P.	Earmarked Funds		TOTAL
			Depreciation Fund Rs. P.	Other than Depreciation Rs. P.	
A. Public Sector Banks					
a. Term Deposits	1,728,000	1,100,000	-	7,592,500	10,420,500
B. Public Sector Financial Institution					
a. Deposits	-	185,000	-	-	185,000
b. Bonds/Debentures	1,249,920	5,500,000	3,839,000	-	10,588,920
C. Public Sector - Companies Deposits	5,271,000	7,250,000	2,962,000	130,000	15,613,000
D. Units in Mutual Funds	1,000,000	-	-	-	1,000,000
TOTAL	8,248,920	14,035,000	6,801,000	7,722,500	29,677,420
	9,548,920	14,035,000	5,371,000	722,500	29,677,420

Previous year



NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY
NEW DELHI

Schedule - 7

NET CURRENT ASSETS

A. CURRENT ASSETS

	As at 31.3.98 Rs. p.	As at 31.3.97 Rs. p.
1. Interest Accrued	1,368,242	535,856
2. Stock of Publications	263,617	166,402
3. Cash and Bank Balances		
- Cash and Postage Imprest	909	3,169
- Current Savings Account	6,605,402	3,676,801
- Term Deposits	6,154,000	2,525,000
	12,760,311	6,206,970
4. Recoverables		
- Project Fees Accrued	2,156,414	1,776,286
- Grants, Fees and Others	231,302	628,312
	2,387,716	2,406,598
5. Advances and Deposits	3,385,562	633,178
Sub Total (A)	20,165,448	9,951,004
B. CURRENT LIABILITIES		
1. Project Fees received in advance	1,922,832	367,416
2. Creditors and Payables	4,699,787	3,871,658
3. Deposits refundable	540,000	200,795
4. Staff Welfare Fund	19,203	17,239
Sub Total (B)	7,181,822	4,457,108
NET CURRENT ASSETS (A-B)	12,983,626	5,493,897



NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY
NEW DELHI

Schedule - 8

	As at 31.3.98 Rs. p.	As at 31.3.97 Rs. p.
Accumulated Deficit Opening Balance	(479,710)	(248,008)
Surplus/(Deficit) for the year	1,188,394	(260,280)
	708,684	(508,288)
Adjustment of Assets Sold	165,631	147,300
	874,315	(360,988)
Adjustment relating to previous year	235,551	(118,722)
Total Deficit carried over to Balance Sheet	-	(479,710)
Total Surplus transferred to Additional Liability Fund	1,109,866	-

Schedule referred above form integral part of this Statement


 Mrs. H. Gautam
 Accounts Officer

 Mr. B.K. Chakaravarti
 Secretary

 Dr. Ashok Lahiri
 Director

 Dr. R.J. Chelliah
 Chairman

As per our report of even date

For THAKUR, VAIDYANATH IYER & CO.


 (R. BALACHANDER)
 Partner
 CHARTERED ACCOUNTANTS

PLACE: NEW DELHI

DATED: 10.10.98



NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY
NEW DELHI

Schedule - 9

GENERAL SUPPORT GRANTS

	As at 31.3.98 Rs. p.	As at 31.3.97 Rs. p.
A. Grant from Government of India:		
- Recurring Grant	1,500,000	1,500,000
- Library Grant	-	250,000
- Pay Revision Difference	7,819,000	5,400,000
- Grant for Augmentation of Infrastructural Facilities	11,500,000	1,500,000
	20,819,000	8,650,000
Less: Unutilised amount transferred to Balance Sheet	8,679,755	252,695
Amt utilised during the year	12,139,245	8,397,305

Received from State Governments:

- Govt. of Karnataka	150,000	300,000
- Govt. of Gujarat	50,000	50,000
- Govt. of West Bengal	100,000	100,000
- Govt. of Meghalaya	35,000	35,000
- Govt. of Kerala	75,000	75,000
- Govt. of Orissa	150,000	150,000
- Govt. of Tamil Nadu	100,000	100,000
- Govt. of Maharashtra	100,000	100,000
- Govt. of Mizoram	-	50,000
- Govt. of Uttar Pradesh	100,000	200,000
- Govt. of Punjab	100,000	100,000
- Govt. of Manipur	-	50,000
- Govt. of Nagaland	-	100,000
- Govt. of Assam	-	200,000
	960,000	1,610,000
TOTAL	13,099,245	10,007,305



NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY
NEW DELHI

	As at 31.3.98 Rs. p.	As at 31.3.97 Rs. p.
Schedule - 10		
SALARIES AND ALLOWANCES		
Salaries and Allowances	7,846,255	5,440,870
Imputed Grant for Residential Quarters	147,384	105,256
Contribution of PF and Other Funds	1,449,249	506,340
Staff Benefits and Welfare	482,836	433,682
Consultancy Fees	208,689	256,886
Other Related Expenses	30,149	28,740
TOTAL	10,164,562	6,771,795

Schedule - 11		
OPERATIONAL EXPENSES		
Books and Periodicals	595,965	250,946
Cost of Publications	44,590	19,750
Course and Programme Expenses	168,049	617,653
Meeting and Seminar	30,963	61,200
Decrease in Stock of Publications	-	2,061
Project Expenses	322,755	575,680
TOTAL	1,162,322	1,527,290



NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY
NEW DELHI

	As at 31.3.98 Rs. p.	As at 31.3.97 Rs. p.
Schedule - 12		
ADMINISTRATIVE EXPENSES		
- Travelling and Conveyance	741,673	380,687
- Rent, Rates and Taxes	145,166	469,102
- Water and Electricity	669,520	453,289
- Printing and Stationery	481,600	577,009
- Telephone and Postage	550,034	845,770
- Repairs and Maintenance	1,038,982	1,393,580
- Car Expenses	146,343	150,742
- Audit Fees	12,000	12,000
- Miscellaneous Expenses	316,871	190,132
- Interest on Housing Loan to HDFC	141,760	169,619
- Advertising Expenses	381,064	-
TOTAL	4,625,013	4,641,928

Schedule - 13		
EXPENSES ON PROJECTS		
a. Ford Foundation Grant	178,352	687,656
- Post Doctoral Research Fellowship	769,130	833,483
- Endowment Fund Interest	409,814	446,923
- Study on Health Economy	-	-
	1,357,296	1,968,061
b. Expenses on Canadian Project	-	13,300
c. Expenses on UNDP Project	1,087,668	1,944,345
d. London School of Economics - Fiscal Policies	248,480	383,520
e. World Resource Institute	480	20,071
f. Expenses on Water Global Seminar	255,776	-
g. Expenses on World Bank (Environment)	2,353	-
TOTAL	2,952,054	4,329,296



NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY
NEW DELHI

Schedule - 14

EXPENSES ON ENDOWMENT CHAIRS/CELLS

Expenses on Chairs

- RBI Chair	350,920	222,062
- HDFC Chair	467,367	211,753
	818,287	433,815

Expenses on Cells

- State Finance	355,757	544,622
	355,757	544,622
	1,174,044	978,437

TOTAL

As at 31.3.98
Rs. p.

As at 31.3.99
Rs. p.

THAKUR,VAIDYANATH AIYAR & CO.

Schedule 15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES

A. ACCOUNTING POLICIES

1. Accounts are drawn up generally on accrual basis except corporate membership fees and Interest on Investment of Ford Foundation Grants which are accounted for on cash receipt basis.

2. The fund has been used to denote the intention to keep the balances invested ultimately.

3. Amounts written off as depreciation are funded instead of being shown as deduction from the gross value of assets.

4. Accretion to Assets Fund represents the expected house rent of the residential premises allotted to employees plus principal repayments on amount borrowed for constructing the house.

5. Depreciation on fixed assets is provided at the following rates:-

Description	Rate
Leasehold Land	-
Building	2.5%
Data Processing Equipment	33.33%
Office Equipment	15%
Furniture and Fixture	10%
Hostel,Library,Computer & Seminar room Furniture	15%
Air Conditioner and Water coolers	15%
Electric Installations	10%
Vehicles (Car)	20%
Horticulture Equipment	15%

6. Provident Fund & Gratuity Liability is being funded by means of contribution to a separate Trust.

7. Interest earned on Depreciation Fund Investment is credited to depreciation fund.

8. Income in respect of specific grants is accounted for on its utilisation.

9. Books, Journals, Periodicals are charged off to revenue in the year of purchase.



B. NOTES:

1. On 31st March 1998, The Governing Body had approved the creation of an Additional Liability Fund (ALF) out of project income and surplus funds. Fees for new projects have been enhanced by 10percent according to the GB recommendations. In 1997-98, the Institute has been successful in squeezing a surplus of Rs. 11,09,866/- lakhs to contribute to the ALF.

2.The Closing stock of publication has been valued as under depending upon the number of years the books have been lying in stock:

- | | |
|---------------------------|------------------|
| a. Upto 5 years | : At Cost |
| b. 5 to 10 years | |
| i. upto 50 Copies | : At Cost |
| ii. Balance Copies | : At 50% of Cost |
| c. More than 10 years old | : Nil |



3. Contingent Liabilities


a. Property Tax in respect of newly constructed residential flats of the Institute, the rateable value of which is yet to be assessed by the Municipal Corporation of Delhi.

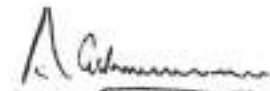
b. Liability in respect of cases of staff members pending in various Courts. (amount not ascertainable).


4. Investments includes Rs. 12,00,000/- pledged with banks.


5. Previous year figures have been rearranged wherever considered necessary to make them comparable with the current year figures.

Schedules referred to above form integral part of this statement.


Mrs. H. Gautam
Accounts Officer


Mr. B.K. Chakaravartti
Secretary

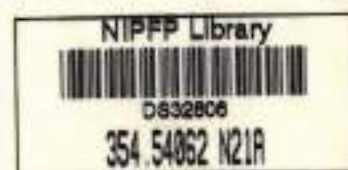

Dr. Ashok Lahiri
Director


Dr. R.J. Chelliah
Chairman

As per our report on even date

For THAKUR, VAIDHYANATH IYER & CO.


(R. BALACHANDER)
Partner
Chartered Accountants



Place : New Delhi

Date : 6 AUG 1998

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