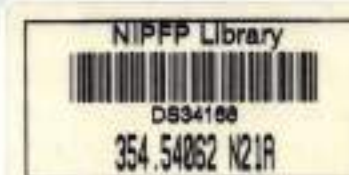


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Annual Report

1998-99



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National Institute of Public Finance and Policy
18/2, Satsang Vihar Marg, Special Institutional Area (Near JNU), New Delhi-110 067.



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1. Mr. Yashwant Sinha, Union Minister of Finance delivering the inaugural address at the seminar, *Issues Before the Eleventh Finance Commission*. On the right is Dr. Manmohan Singh.
 2. Dr. A.M. Khusro, Chairman EFC, and Dr. C. Rangarajan, Chairman NIPFP at the seminar.
 3. Dr. Ashok Lahiri, Director NIPFP, welcoming the delegates.
 4. (second from left) Dr. Raja Chelliah, Professor of Eminence, NIPFP (third from left) Dr. Amaresh Bagchi, Member, EFC, and Professor Emeritus, NIPFP, among other speakers.

1 Overview

In its twenty second year, the National Institute of Public Finance and Policy (NIPFP) continued to contribute relevant research inputs to various aspects of public finance and policy. The NIPFP policy discussions were focused upon through seminars and conferences and by training officials in economic policy and administration at national and international levels.

PROJECTS AND STUDIES COMPLETED

The year 1998-99 witnessed completion of thirteen studies while another twenty-six are in progress. Six **Reprints** were reproduced and one **Discussion Paper** was brought out (Annexure I).

As in the past, faculty members continued to be engaged in co-academic activity comprising membership of various government committees, academic bodies and professional associations, delivering invitation lectures and promoting interaction with the research community by participating in seminars and conferences in India and abroad.

A major highlight of the year was a seminar on *Issues Before the Eleventh Finance Commission* attended by several dignitaries including Finance Minister Yashwant Sinha, his two predecessors P. Chidambaram, and Manmohan Singh, A.M. Khusro, Chairman, Eleventh Finance Commission, C. Rangarajan, Chairman, NIPFP, and Governor of Andhra Pradesh, and Orissa, M.S. Ahluwalia, Member, Planning Commission, Amaresh Bagchi, Member Eleventh Finance Commission, and Venugopal Reddy, Deputy Governor, Reserve Bank of India. The deliberations at the seminar indicated that a healthy fiscal condition cannot be restored through rationalisation of central and state government finances alone; the decentralisation process needs to be carried a step further and local authorities in both rural and urban settings need to generate their own resources to fulfil local aspirations and needs.

Another important meeting that took place at the Institute was that of the Committee of Chief Ministers for rationalisation of sales tax. The meeting chaired by Jyoti Basu, Chief Minister of West Bengal was attended by J.B. Patnaik, Chief Minister of Orissa, among ministers and secretaries of various states.

A significant training programme of the year was a World Bank Institute-NIPFP joint course on *Macroeconomic Management: New Methods and Current Policy Issues*. The course attended by macroeconomists and policy advisors in governments and trainers from several parts of the world, covered a broad range of current issues in macroeconomic management and analytical policy discussions.

Ashok Lahiri, Director, NIPFP, continued his membership in the Expert Technical Group constituted by the Government of India to examine various aspects of pricing of

crude and petroleum products to suggest alternatives regarding appropriate structure of duties and levies. The Informal Advisory Committee on Ways and Means Advances to State Governments appointed by the Reserve Bank of India of which he was a member, submitted its report in November 1998. The report of the committee to advise on the restructuring of the National Institute of Bank Management, again of which he was a member, was submitted in January, 1999.

During the year, a Steering Committee, chaired by *Raja Chelliah*, Professor of Eminence, NIPFP, which is based at the Institute for preparation of a Model VAT Law for the States, submitted its draft to the Ministry of Finance. Useful inputs for the Model Law were also provided by the Canadian International Development Agency.

Research at the Institute emphasised on new proposals and new evaluation to bring about stabilisation and structural adjustment in the Indian economy — reform in the administration of tax policy and taxation; management and control of public expenditure; analyses of domestic and external debt; fiscal federalism; reform of the finances of urban and local institutions; and economics of environmental pollution. The State Finance Unit, the Reserve Bank supported Fiscal Policy Unit, the Housing Development Finance Corporation Professorial Chair, the Health Economics Cell and the Environmental Policy Cell, besides the various commissioned studies were all focused on research related to fiscal correction.

At the behest of the UNDP and the Asian Development Bank several senior faculty members got involved in rendering international expertise to the Government of Sri Lanka in launching its programme for capacity building of fiscal devolution.

Necessary development in the infrastructure, such as, the library, computer, and building, was carried out during the year. The NIPFP auditorium resumed a fresh look, and construction of an additional block comprising nine rooms was completed.

C. Rangarajan, Governor, Andhra Pradesh, and Orissa, and former Governor RBI, took over as the Chairman NIPFP on October 1, 1998. *Amaresh Bagchi*, Professor Emeritus, NIPFP was appointed Member of the Eleventh Finance Commission (EFC). *D.K. Srivastava*, Senior Fellow, was nominated as its Principal Consultant. *A. Premchand*, retired Assistant Director, International Monetary Fund, visited the Institute in January 1999, for a fortnight. *Jeejabai Manay*, Deputy Commissioner from the commercial tax department, Karnataka was on deputation to NIPFP till November 1998. She assisted the Steering Committee in drafting the VAT Manual. The services of *V.S. Mittal*, District Registrar of Stamp Duties, Government of Madhya Pradesh were obtained for a period of two months for redrafting the Indian Stamp Act, 1899.

A list of Governing Body members as on March 31, 1999 is in Annexure II.

2 Research Activities

The research agenda of NIPFP are guided by policy concerns and the research interests of its faculty members. Various units and cells have been created for operational purposes.

STATE FINANCE UNIT (SFU)

During the reporting year, the Unit finalised the study on State Fiscal Studies: Haryana as part of the series undertaken by the Institute to study the finances of individual states. Another study completed in the same vein pertained to Fiscal Trends in Maharashtra. The theme paper for the conference on Issues Before the Eleventh Finance Commission formed part of the research activity of the Unit. Completed work also includes a study of the Administration of Motor Vehicle Tax besides the ongoing activity of updating the state finances data bank. The Unit has succeeded in fully restoring and reformatting the entire data bank after a complete crash of the computer system housing the PFIS database. Tapas K. Sen continues to be in charge of this Unit. Kavita Rao, Diwan Chand, N.K. Singh, H.K. Amar Nath, and Geeta Bhatnagar are the other members. Amar Nath is at present on deputation to the Eleventh Finance Commission.

• Fiscal Trends in Maharashtra (July 1998) Tapas K. Sen, R. Kavita Rao and H.K. Amarnath

The Infrastructure Development Finance Corporation (IDFC) sponsored this study for examination of broad trends in the budgetary components of the Government of Maharashtra. The report also incorporates projections of the same over the medium term under alternative sets of assumptions regarding different policy scenarios, including the 'best case' and the 'worst case'. The study highlights the recent deterioration of the government finances in Maharashtra and underscores the need for corrective action.

• State Fiscal Studies: Haryana (August 1998) Tapas K. Sen and R. Kavita Rao

The report was finalised and submitted to the World Bank (the sponsors) and the Government of Haryana. This is a detailed study of the trends in Haryana state finances and its various components in the backdrop of the macroeconomic features of the state. It also examines some specific sectors like education, power, irrigation and transport that have a direct bearing on the public finances of the state and makes estimates of additional investment required, if any. A number of suggestions regarding policy are made in the area of taxation, cost recovery and expenditure compression. Also projected are budgetary components over the medium term under a 'no reform scenario' (incorporating the power sector reforms already started), and 'additional investments with revenue reforms scenario'. The results indicate that only with reforms can additional investments, needed to maintain and accelerate growth, be undertaken.

● **Tax Administration at the State Level: Motor Vehicle Tax** (December 1998)
Tapas K. Sen

This study, sponsored by the UNDP as part of an overall project to study tax administration in India, examines the administration of motor vehicle tax in three states: Orissa, Punjab, and Maharashtra. Looking briefly at the tax structure in these states, it examines the major legislative provisions and practices related to the various aspects of administration of this tax including collection, enforcement, and computerisation. It also makes some suggestions for improving the administration of this tax in terms of cost of collection, taxpayer convenience, and general economic efficiency.

● **Issues Before the Eleventh Finance Commission** (January 1998) D.K. Srivastava and Tapas K. Sen

This was the theme paper presented at the seminar on *Issues Before the Eleventh Finance Commission*. The paper covers major issues of fiscal federalism in India at the present juncture, keeping in view the terms of reference of the Eleventh Finance Commission. After covering the essential features of the macroeconomic imperatives before the governments at the central and the state level, it critically reviews the revenue sharing and grants system currently prevailing, and makes suggestions for changing them. It reviews the thorny problem of indebtedness of the states, and examines ways in which the Finance Commission can tackle the issue.

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

The database on government finances is being regularly updated with more recent data. A reorganisation of the database is currently being undertaken to make it more user-friendly, with an option of retrieval in the spreadsheet format. The option of porting the database to a Windows NT platform from the present UNIX platform is also being considered. Diwan Chand, N.K. Singh, and Geeta Bhatnagar are involved in the maintenance and updation of PFIS.

On-going work in this Unit includes a study each on Reforms in Stamp Duty and Sales Tax in Orissa, and a study on Intergovernmental Grants in Sri Lanka (part of an umbrella programme of Capacity Building for Fiscal Devolution in Sri Lanka).

HOUSING AND URBAN ECONOMICS UNIT (HUEU)

The Housing and Urban Economics Unit with Om Prakash Mathur in the chair endowed by HDFC remained operational during the year. Several studies were completed in this area.

● **Delhi Fiscal Study** (December 1998) Om Prakash Mathur and T.S. Rangamannar

The purpose of this World Bank sponsored study was to review the performance of the finances of the Government of National Territory of Delhi (NCT), assess its fiscal stance, and suggest options for sectoral and fiscal reforms to improve and strengthen its

finances. The focus of the study was on two sets of questions: (i) what, if any, are the major fiscal issues facing the Government of NCT?; and (ii) what reform measures would best address those issues?

The fiscal study of Delhi differs from the fiscal studies of other states in two respects: First: Delhi is a union territory with a legislature which places its functional and fiscal jurisdiction on a special footing *vis-à-vis* other states. This fact combined with Delhi's overwhelmingly urban character puts the finances of Delhi, and consequently the problems that it faces, somewhat apart from the other states of the Indian union. Second: The finances of Delhi are inextricably interwoven with those of its public utilities and local bodies. Accordingly, this study made special analyses of the finances of the Delhi Transport Corporation (DTC), Delhi Vidyut Board (DVB), and the Delhi Water Board (DWB), and two of the three local bodies, namely, the Delhi Municipal Corporation (DMC) and the New Delhi Municipal Committee (NDMC), and attempted to assess their impact on the finances of the Government of Delhi.

● **Indian Property Law: Titling, Registration, and Conveyance - A Review of Legal Provisions** (March 1999) Om Prakash Mathur

Undertaken at the behest of the Department of Administrative Reforms and Public Grievances, this study has looked at the four principal legislations that govern property titling and property conveyance in India: The Transfer of Property Act, 1882; The Indian Succession Act, 1925; The Registration Act, 1908; The Indian Stamp Act, 1899.

The purpose of the review was to locate problems that citizens are faced with in securing ownership/title of a property or in conveyancing properties. The review of legislations reflected that there are serious problems in the existing legislative provisions, even as the term "property" is not adequately defined. None of the legislations defined categorically what title or ownership means, and under what conditions can a citizen secure absolute ownership. The nature of documents that are required to be presented for conveyance make legal transfers of properties (purchase/sale) extremely difficult. The study is preliminary, and lays foundation for a comprehensive examination of the property related laws in the country.

● **The Indian Stamp Act, 1899** (on-going) Om Prakash Mathur

In pursuance of the terms of reference of a group of officials and chaired by the Secretary (Department of Revenue, Ministry of Finance), the NIPFP redrafted the *Indian Stamp Act, 1899*. The Act which has been in use now for 100 years, has outlived its utility and is constraining both in terms of providing evidentiary value to transactions, as well as source of revenue.

The newly drafted *Stamp Act* which will now be vetted by the Ministry of Law and pass through normal channels of processing, has been substantially revised in respect of two areas: (a) conveyancing of properties, including machinery for assessment of property values; (b) treatment of financial instruments.

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

Studies on **Local Finance Data Systems** began in December, 1997. Field work in respect of these studies was completed for 13 out of 16 major states. The three states where it was not possible to do any field work are Assam, Bihar, and Uttar Pradesh. Draft reports on the studies are under preparation, and expected to be submitted to the Ministry of Finance by end-June 1999.

- **The Financial Requirements of Municipalities (on-going)** Om Prakash Mathur

At the instance of the Eleventh Finance Commission, a study was undertaken to estimate the financial requirements of municipalities for the period 2000-01 to 2005-06 A.D.

This study is in pursuance of the terms of reference of the Eleventh Finance Commission which, for the first time, is required to make recommendations on the finances of local bodies, i.e., the *Panchayats* and municipalities. The study is being conducted in partnership with six research institutions who are collecting data from a sample of municipalities on the levels of expenditure, incomes, and outstanding liabilities. The NIPFP is entrusted with the preparation of the final report.

Apart from the above, the HUEU is also involved in the Sri Lanka studies on **Capacity Building for Fiscal Devolution**. Om Prakash Mathur prepared for the World Bank a paper titled, "Decentralisation in India: A Report Card".

RESERVE BANK OF INDIA (RBI) UNIT

The several areas of research pursued at the RBI supported Fiscal Policy Unit have as their broad theme fiscal correction at the level of both centre and states. The Unit was headed by Indira Rajaraman. She was assisted by Hiranya Mukhopadhyay, Abhiroop Mukhopadhyay and Namita Bhatia. H.K. Amar Nath worked for the unit for part of the year.

- **State Fiscal Studies: Punjab (July 1998)** Indira Rajaraman, Hiranya Mukhopadhyay and H.K. Amar Nath

The objective of the study was to prescribe ways to put state-level finances on a sound footing, and improve the developmental impact of public spending and sectoral policies. The study was financed by the World Bank. A paper extracting the model underlying the report was completed in August and is under consideration by a refereed journal. The report is to appear in book form by the middle of 1999.

- **Sustainability of Public Domestic Debt in India (February, 1999)** Indira Rajaraman and Abhiroop Mukhopadhyay

The empirics of debt stability and sustainability in India are explored in two ways. The first is a model and forecast of aggregate non-monetised domestic debt in India as a univariate time series. This is done by using structural time-series models which are so

formulated that each component of the time-series has a stochastic element and is not a deterministic function of time (in original or differenced form). Because of the criticality for the sustainability issue of the relative values of the interest rate on received debt and the rate of growth of the economy, the second set of empirical exercises is an examination of the time-series of nominal rates of interest on the nominal growth rate of the economy. These empirical exercises lead to the conclusion that domestic non-monetised debt as a percent of GDP will not naturally stabilise without immediate moves towards correction of the underlying fiscal parameters. The study was financed under the LSE-Ford Foundation grant to NIPFP for research on fiscal policy. Two papers in addition to the report itself have been written. One paper focuses on methodological aspects of the study, and is under consideration by a journal. The second, on policy implications for the Indian economy, is to appear in a volume of papers presented at a seminar for the Eleventh Finance Commission.

- **Industrial Incentives in Madhya Pradesh (on-going)** Indira Rajaraman, Hiranya Mukhopadhyay and Namita Bhatia

There is no formal theoretical model nor much systematic empirical work on the effect of indirect tax incentives of the kind offered by individual states in India. Sales tax concessions (potentially) alter the relative prices of products of new units versus older units, and therefore could have a favourable impact on capital inflows into the state. State governments also offer outright subsidies as a percentage of fixed capital, upto some prescribed limit, which enhance the rate of return to the private investor. Both types of incentives imply either additional expenditure or foregone revenue for the state exchequer. From the keen incentives war among states in India, it would appear that the states' own assessment is that tax incentives do promote investment, and that at the very least there is a disadvantage to not keeping up with tax incentives offered by neighbouring states. An attempt will be made to assess econometrically the impact of each type of incentive on industrial investment. This will be supplemented by field interviews to assess the opinions of industrialists on the issue.

- **NPA's of Commercial Banks in India (January 1999)** Indira Rajaraman, Sumon Bhaumik and Namita Bhatia

Using data for the year 1996-97, a paper was prepared on the findings of a formal attempt at explaining the high dispersion of NPAs across banks. The specification tests for the impact of region of operation on domestically-owned banks, as measured by percentage of branches in each of a set of state clusters. One cluster of three eastern and seven north-eastern states carries a robust and statistically significant positive coefficient; another cluster of the southern and some of the northern states carries a significantly negative coefficient. These findings bear out those of Demircug-Kunt and Huizinga on the significance of the operating environment for bank efficiency. No sustainable improvement in the performing efficiency of domestic banks is possible without prior

improvement in the enforcement environment in difficult regions of the country. Another finding of some importance is that it is not foreign ownership in and of itself so much as the banking efficiency and technology correlates of the country of origin of the foreign bank which determine NPA performance in the Indian environment.

ENVIRONMENTAL POLICY CELL

The Environmental Policy Cell, headed by Rita Pandey continued to conduct analytical research on pollution abatement. One of the major activities of the Cell was a one-day national workshop to discuss the findings of the Task Force Report [constituted by the Ministry of Environment and Forests (MoEF) in August 1995] to evaluate market-based instruments (MBIs) for industrial pollution control. It was unanimously agreed at the workshop that the economic instruments are cost-effective means of pollution control and should be implemented. A report on the deliberations of the workshop has been submitted to the MoEF.

Other members of the Cell are Saubhik Deb and Som Shankar Ghosh.

- **CETPs and Pollution Abatement in SSIs (March 1999)** Rita Pandey and Saubhik Deb

The small scale industries (SSIs) constitute a considerable part of total industrial pollution in India. The monitoring and enforcement of environmental laws on SSIs have, however, been highly unsatisfactory. The study focuses on ways of improving compliance from SSIs. The main objectives of the study are to: (i) examine the feasibility of combined treatment in controlling pollution from SSIs; and (ii) explore the feasibility of introducing incentive-based-cost-sharing arrangements. The study brings out that combined treatment is a cost-effective option for SSIs. Thus, the subsidy for CETPs is justified. Recommended in the study are the various changes that should be effected in the existing system including the subsidy scheme for setting up CETPs, for environmental management in SSIs to become more effective.

- **Tradeable Permits for Intra Firm Trading for Air Pollution Control: A Case Study of Bokaro Steel Plant (on-going)** Rita Pandey

The pollution control regime in India is characterised by command and control systems. Currently, government regulations on emissions and discharges apply to each discharge point within the steel plant rather than at the factory gate. There have been no efforts to complement the present system with market-based instruments of pollution control which offer ways to minimise the total costs of pollution abatement and achieve cost-effective pollution control. Tradeable permit is one such instrument. Tradeable permits can be of two types: one, that allows inter-plant trading; and two, which allows different discharge points of a large firm to make trades among themselves. This offers the firm the option of reducing pollution loads beyond discharge limits at one or more discharge points while crediting it to other discharge points so that the predetermined

level of environmental standard or pollution reduction is met. This study proposes to design an intra-plant trading scheme for a steel firm. Success in this initiative is expected to pave the way for schemes for inter-plant trading.

Positive and Perverse Subsidies and the Environment: With Special Reference to Agriculture in India; **Fiscal Measures for Air Pollution Control in Delhi** are the other on-going projects of the Cell.

HEALTH ECONOMICS CELL (HEC)

Work, in the Health Economics Cell, which has been functioning with the support of the Ford Foundation reflects NIPFP's on-going effort to broaden the scope of public policy research.

- **Health and Environment (on-going)** A.L. Nagar

The report consists of two parts. The first part gives the state-level micro-analysis of health scenario in India while the second part is based on data collected from Delhi households through a sample survey, and those published by the Chief Registrar (Births and Deaths), Government of NCT of Delhi, and also on the basis of reports from hospitals under the Directorate of Health Services.

Other studies nearing completion in the Cell are **Health Care Status in India; Health Care Systems in India; Health Care Financing Practices in Selected Countries; and Database on Health Expenditure: Four Selected States.** Focused mainly on health and environment, these studies examine various aspects of public health care scenarios in the central, state and union territory levels in India, as also in some selected countries of the world. A.L. Nagar worked as Senior Consultant in the Cell. He was assisted by V. Selvaraju, Harmeet Singh Maddh, Sharmistha Mukherjee, Anindita Chakraborty, Banita Dutta, Tauhidur Behman, Rajeev Kumar Singh, and Vikram Singh.

OTHER STUDIES

In addition to the above, the Institute continued to conduct research under the auspices of various grants in the context of policy advice in governmental committees, for governments, for multilateral and bilateral agencies, and as individual academic endeavours.

- **Model Statue for Value Added Sales Tax (September 1998)** Mahesh C. Purohit and R.J. Manay

The model law is aimed at providing the States with a statutory framework for introducing a system of VAT. It would help states in having harmony in the structure and procedures of the proposed VAT in the country. It is observed that in the absence of any model before the states, varied systems causing diversity in the structures and procedures have cropped up.

- **State Fiscal Studies : Assam** (June 1998) D.K. Srivastava, Saumen Chattopadhyay, and T.S. Rangamannar

The objective of the study was to ascertain the fiscal performance of Assam in the past and to construct an alternative fiscal profile for the period 1997-98 to 2001-02 utilising the base scenario as a benchmark. Assam has been suffering from insurgency causing diversion of resources for maintaining law and order. It was declared a special category state in 1991-92 owing to its poor resource base. Non-discretionary expenditures (interest payment, wages and salaries, pensions and current transfers to local bodies) have crowded out resources for development resulting in inadequate capital formation with little or no provision for basic minimum services.

The study has proposed two alternative scenarios of reform. In the first reform scenario, state-specific initiatives have been suggested, which are (a) improving the tax receipts; (b) augmenting non-tax revenues; and (c) restructuring expenditure. The quantitative impact suggests that the state's tax revenues would improve from the level of 4.3 percent of GSDP in 1997-98 to 6 percent in 2001-02. Likewise, non-tax revenue would improve from 1.76 percent to 2.24 percent. Expenditure on wages and salaries would decline and capital outlay would increase. Even while the situation would improve with this reform package, it would still not be enough to restore the fiscal health of the state.

The alternative reform scenario, therefore, complements state initiatives by steps to be taken by the centre. The emerging picture highlights priority spending targets, keeps the state fiscal deficit at a low and sustainable level, and augments capital expenditure for investment on infrastructure and basic minimum services as per acceptable norms.

- **State Fiscal Studies : Kerala** (February 1999) D.K. Srivastava, Saumen Chattopadhyay, and P.R. Jena

Despite exemplary success in the sphere of human development, industrial growth in Kerala has been tardy. The state economy has been rendered vulnerable to volatility of remittances from abroad. Of late, unemployment and rural poverty have been relatively high and there has been a decay in the infrastructure of education, and health built up over the years. Poor returns from the 105 State Level Public Enterprises (SLPEs) have resulted in persistent revenue and fiscal deficit and mounting debt to GSDP ratio. Kerala has embarked upon an ambitious Ninth Plan (Rs.16,100 crore at 1996-97 prices) with 35-40 per cent of the plan funds being allocated to various tiers of local bodies. The participation of local bodies in the preparation of projects and plans as well as administration of plan funds is the first of its kind in Indian states. This augurs well for the economic prospects of the state. Continuance of present trends under moderate growth, as captured in the base scenario implies a deepening fiscal crisis, even while the plan has to be cut down. In this backdrop, a reform package has been suggested in the report with a view to achieving a sustainable debt to GSDP ratio and higher growth rate. Fiscal reforms include setting the stage for gradual introduction of VAT, revamping of tax

administration, tapping the potential of non-tax revenues, increase in non-salary maintenance and capital outlay and no net growth of employment in the government sector. Sector reforms include automatic revision of tariff for transport and power, privatisation of distribution of power and downsizing and gradual weeding out of non-viable SLPEs. Profit-making enterprises need to be restructured and revitalised and possibilities of merger among similar ones may be explored.

- **State Fiscal Studies: Tamil Nadu** (March 1998) J.V.M. Sarma, Gautam Naresh, and O.P. Bohra

The central aim of the **State Fiscal Study: Tamil Nadu** is "to establish the capacity of the state of Tamil Nadu to absorb development aid effectively – that is, to determine its capacity to generate necessary counterpart funds in the short-term and, in the longer-term, its capacity to generate funds to maintain the assets and programmes financed by development aid". The growth performance of Tamil Nadu has been impressive despite the modest natural resource base and it is among the most industrialised states in India. Although its finances are well-managed there is still room for selective fiscal correction. During the period under study, there was a significant rise in revenue expenditure at the expense of capital expenditure. In financing the expenditure, the revenue-raising effort has so far been concentrated only on tax revenue and attempts to augment non-tax revenues through cost recoveries has been a neglected area and therefore need clear revamping. Fiscal balance for most part of the study period was negative as also on the decline because of fast growth of revenue expenditure while signs of improvement in recent years have not proved to be long lasting. If the same fiscal trends continue, fiscal deficit is likely to assume disquieting levels due to increasing component of revenue deficit. In addition, capital expenditure is likely to shrink further, government debt is likely to be used more for consumption purposes rather than for investment, and maintenance expenditure will be on the decline. A simulated fiscal scenario with a set of suggested reforms, if implemented, can reverse these trends and turn the fiscal balances into surpluses.

- **Discriminatory Tax Treatment of Domestic vis-à-vis Foreign Products: An Assessment** (Draft report submitted in December 1998) Pawan K. Aggarwal and V. Selvaraju

Sponsored by the Tariff Commission of India, the study is focused on discriminatory tax treatment of domestic vis-à-vis foreign products. Tax discrimination is identified in terms of effective rates of protection (ERP) and differential composite duty rates on imports and domestic products. The study covering central, state as well as local taxes, shows that some products suffer competitive tax disadvantage in domestic as well as international markets because of inverted duty structure, input taxation without full set off and nil or low customs duty, even though most products are subject to high net protection. The recommendations advocate a rationalisation of the tax system through

quick removal of all exemptions, enduse concessions and input taxation, and phased reduction in high duty rates and their number.

- **Tariffs in Indian Hotels** (*on-going*) A.K. Lahiri, Hiranya Mukhopadhyay, Dipankar Purkaystha, and R. Kavita Rao in association with Mamta Parhi

The primary objective of the study is to investigate pricing policies of Indian hotels and to examine their implications on the industry on one hand, and on tourism and the Indian economy, on the other. At present a number of hotels quote two official prices for any given category of room: a rupee price for the Indian client and a dollar price for the foreign client. The study aims at examining the optimality of the tariff structure and the need, if any, for a changeover from the dual tariff structure to single tariff in regard to the future full convertibility of the rupee. In addition, it also tries to analyse the current pattern of the central and state taxation policies, especially those pertaining to the expenditure tax and luxury taxes impacting the hotel industry, and to suggest a rational tax structure.

- **External Assistance to India: Concessionality and Transmission to States** (*on-going*) D.K. Srivastava and C. Bhujanga Rao, T.S. Rangamannar, and P.R. Jena

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.

- **Projection of Central, State and Local Taxes** (*on-going*) J.V.M. Sarma, Tapas K. Sen, and O.P. Mathur

This study, sponsored by the Eleventh Finance Commission, aims at projecting the tax revenues of central and state governments as well as of local bodies for the period 2000-01 to 2004-05. The central tax revenues are being projected separately for corporate income tax, non-corporate income tax, excise duty, customs, and other taxes. The projection of sales tax revenues are being done separately for each state and for agricultural taxes, sales taxes, state excise, stamps and registration duties, motor vehicle tax, electricity duty and other taxes. At the local level, estimates of aggregate revenue from local taxes and for property tax and octroi are being worked out.

- **Database on Excise and Customs Duties** (*on-going*) Pawan K. Aggarwal

This study aims to develop an interactive software for customs and excise duties including sales tax. Compilation of data on customs and excise duties with corresponding list of commodities has been completed. This forms the core information and first phase of the study.

- **Sri Lanka Studies on Capacity Building for Fiscal Devolution** (*on-going*) Ashok K. Lahiri, O.P. Mathur, D.K. Srivastava, J.V.M. Sarma, Pawan K. Aggarwal, and Tapas K. Sen

This project funded by UNDP aims at achieving effective fiscal devolution among the provincial councils of Sri Lanka. The project comprises the following components—**Design of Fiscal Devolution System, Institutional Development, Tax Issues and Expenditure Assessment.**

- **Third Report of the Expert Technical Group: Hydro-Carbon Sector** (*on-going*) Expert Technical Group

The Government of India constituted an Expert Technical Group (Ashok Lahiri is a member of the Group) in June 1996, to examine various aspects of pricing of crude and petroleum products and to suggest a few alternatives regarding appropriate structure of duties and levies. Since then, the Group has submitted three reports: An interim report in November 1996, the second report in end 1997 and the third report in 1999. The third report was a review of the existing system of compensation in respect of pipelines and suggested changes to encourage investments in the pipelines for products and crude oil.

- **Report of the Informal Advisory Committee on Ways and Means Advances (WMA) to State Governments** (November, 1998) Chairman: Mr. B.P.R. Vithal, Ashok K. Lahiri and Usha Thorat

The committee appointed by the Reserve Bank of India recommended a revision of the WMA limits of states to bring them in line with the size of their respective budgets. The recommendations also included a liberalisation of the special WMA limits and a tightening of the overdraft regulation scheme. Most of the recommendations have been accepted and implemented by the RBI.



FORD FOUNDATION

Post-Doctoral Research Fellowship Programme in Economics

This programme initiated in 1989 with financial support from the Ford Foundation for three annual rounds of selection of fellows was renewed for three more rounds in December 1991, and finally for another three rounds in July 1995. The NIPFP has been involved in the administration of the programme, including selection of candidates. The Institute of International Education (IIE), New York, on the other side, handled placements of the selected fellows at foreign universities besides monitoring and counselling

them during the tenure of their fellowship. The programme was extended from July 1998 to December 31, 1999 to enable the NIPFP to organise a seminar during November 6-7, 1998, to disburse the follow-up research grant to the fellows of 1997; to settle the outstanding grant accounts of some earlier fellows; and to take follow-up action on the results of the seminar.

The broad objective of the programme was to develop a self-sustainable body of Indian scholars as the next generation of world class Indian economists. Its original focus on post-doctoral research in the areas of international economics, macroeconomics and public finance, was later expanded to cover environmental economics and economics of finance on the recommendation of the renowned economist, I.G. Patel, in his 1994 mid-term evaluation of the programme.

During the course of nine rounds of selection for 1989-90 to 1997-98 (when the selection process ended but the programme continued), 38 scholars sponsored for the fellowship returned to their respective sponsoring institutions after completion of their one-year study at reputed universities in U.S. and Britain.

During the currency of the programme the NIPFP organised three seminars: on May 10, 1993 to assess the weaknesses and strengths of the programme; during November 6-7, 1995 to gauge the impact created by the programme in the fields of research and teaching; and, during November 6-7, 1998 with the purpose of reflecting on "what have we achieved by the programme".

The November 1998 seminar was well attended. At the concluding session of the seminar, the general consensus was that this generously funded and efficiently administered programme was largely successful in shaping a group of Indian economists as the next generation of the world class Indian economists. The contributions of all concerned i.e. Ford Foundation, NIPFP, selection committee members, overseas universities/guides, IIE New York, the Fellows, C.L.Khanna of NIPFP and Helene Mantell of IIE towards the success of the programme were acknowledged. Work on publishing selected papers out of those presented at the seminar is in progress.

4

Seminars and Workshops

An important event of the year was a two-day national seminar on *Issues Before the Eleventh Finance Commission* (EFC) organised jointly by the EFC and the NIPFP on January 5-6, 1999. The seminar was inaugurated by Yashwant Sinha, Union Minister of Finance, Government of India. It was attended by leading scholars and government officials and acted as a forum for key issues, such as, the principles of resource transfers in terms of tax devolution and grants-in-aid to state governments; restructuring of government finances between centre and states; public debt and liabilities of the state governments; and issues in local finance related to both rural and urban bodies.

Later in April 1999, the Institute organised a one-day national workshop to discuss the findings of the Task Force Report (constituted by the Ministry of Environment and Forests in August 1995) to evaluate market-based instruments (MBIs) for industrial pollution control. The workshop, a first of its kind, critically examined the feasibility of MBIs which have been identified in the report as most appropriate for pollution control in India. The workshop was inaugurated by Mr. Suresh Prabhu, Minister of Environment and Forests. Participants included environment economists and policymakers in the country.

In addition the Institute held twenty-three in-house seminars during the year. Complete details are in Annexure III.

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Training Programmes

The Institute conducted five training courses, the focus, as in the past, being on fiscal and monetary policies and sales/VAT administration. Details of the training programmes organised by NIPFP during the year 1998-99 are given below.

- **VAT Policy and Administration**, a two-week programme for the officers of the Sales Tax Department, NCT of Delhi was organised during April 15-24, 1998 at the behest of the Govt. of NCT, Delhi. 60 officers participated.
- **Centre State Financial Relations**, a one week programme during Oct. 7-11, 1998 was sponsored by the Department of Personnel and Training, Government of India. 18 senior officers of the Indian Administrative Service attended the course.
- **Fiscal Policy in India** was a two-week course organised under the aegis of the Comptroller and Auditor General of India for 12 probationers of the Indian Audit and Accounts Services.
- **Value Added Tax: Policy and Administration** was conducted for the Deputy Commissioners of Sales Tax, Madurai, Tamil Nadu between November 16-19, 1999. The course was sponsored by the Govt. of Tamil Nadu. The number of participants were around 50.
- **Macroeconomic Management: New Methods and Current Policy Issues** was conducted by NIPFP in collaboration with the World Bank Institute during March 15-25, 1999. The 29 participants included macroeconomists and policy advisers in government and trainers from several parts of the world.

NIPFP Publications 1998-99

The Institute published one book during the year. This book, produced under the joint auspices of the National Institute of Public Finance and Policy and the Centre for Urban and Community Studies, University of Toronto, is a compilation of papers presented at three meetings held over the period 1994-1997, on the general theme of urban governance. The papers in the book are focused over a single question: Do Indian cities have the capacity to face the challenges of globalisation and poverty? The book has been edited by Om Prakash Mathur.

A list of priced publications of NIPFP is at Annexure IV.

Library Services

COLLECTION DEVELOPMENT

Acquisition of Books and Reports. In pursuance of the collection development policy, the library continued to acquire books, reports, working papers from the various available sources. The year saw 1,313 new documents added to the library. With this, the library had, at end-March 1998, a collection of 32,698 documents and 3,495 bound volumes of journals.

Receipt of Working Papers etc. A large number of working papers, technical reports/discussion papers/reprints were received on complimentary basis from various international and national organisations.

Journals Subscription. The library subscribed to 167 journals, 96 foreign; and 71 Indian. In addition, the library received 70 journals free of cost bringing the total to 237. Ten national dailies were subscribed to.

LIBRARY AUTOMATION

The library operationalised use of LibSys software for automation of library operations. In-house library operations, such as, acquisition, serial control, cataloguing, circulation, articles indexing were thus automated.

Two databases were developed for books and journal articles by converting records from CDS/ISIS to LibSys. Bibliographical information regarding all documents acquired

LIBRARY SERVICES

during 1998-99 and articles on related subjects identified in selected journals and newspapers were converted into machine-readable form.

CD-ROM Database. A CD-ROM disc ECONLIT-AEA (December 1980-1997) along with its manual was acquired from the American Economic Association. The database has been given on-line access to members.

LIBRARY INFORMATION SERVICES

Current Contents. A monthly compilation of the contents of periodicals received in the library was circulated among the faculty of NIPFP with a view to familiarise them with the latest publications.

New Additions. A list containing bibliographical details of all documents added in the library was brought out on a regular basis through the electronic mode. Information regarding new acquisitions, is now communicated to members through e-mail.

Current Information Bulletin. This includes articles published on subjects of interest to the Institute in journals and newspapers. The number of journals for indexing was increased from six to twenty seven; newspapers from four to six. Compilation and circulation of articles published in journals and newspapers was replaced by electronic mode of information dissemination. The library began to provide journal and newspaper articles indexing service through e-mail.

Bibliographic Service. The library catered to the requests of numerous individuals and organisations for bibliographies on allied subjects.

Circulation. During the year approximately 24,800 publications were circulated among the members. The library provided reference and consultation facility to over 680 external research scholars and officials from India and abroad.

Under the inter-library loan programme, about thirty-nine books were lent out to institutes and libraries outside, while twenty-six publications were borrowed from them for the use of NIPFP faculty.

Reprographic Service. Approximately 15,396 photocopies were produced every month. Reprographic facilities were also provided to researchers of other institutes.



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Computer Unit

During the year the Institute augmented its computer network substantially.

ACQUISITION OF COMPUTER HARDWARE

- Three compaq notebook computers (266 Mhz);
- One HP laserjet 6P printer;
- One colour printer HP DJ-692C;
- Two HP 6100C scanner;
- Sixteen desktop pentium-II 333 Mhz;
- Two desktop pentium-II for the State Finances Unit
- Nineteen off-line UPS (0.625 KVA elent make) having a 30 minute of back-up capacity (not covered by the centralised UPS system) were installed with pentiums.
- One stabiliser of 5KVA servo elent make, installed with network 5Si laser printer.

ACQUISITION OF COMPUTER SOFTWARE

- Windows' 98 operating system;
- MS Office' 97 standard/professional;
- One iLEAP 14 multilingual word processor, for windows'95;
- Mcafee anti-virus software.
- Transcend central LAN management software for unlimited users;
- Windows NT 45 users' license;
- Mcafee total virus defence (TVD), for the virus protection on windows-NT server.

INSTALLATION OF LAN/VLAN AND WAN

Local Area Network (LAN) with 150 nodes, five servers and Virtual LAN (VLAN) facilities and Wide Area Network (WAN) were installed on a turnkey basis by M/s WIPRO.

Most of the equipment and software related to LAN was installed. More than 50 nodes are currently connected and installed alongwith 3HP-5Si network printers on each floor. All the nodes are connected through 6 segment switches (2 each on each floor) with a core builder as a main backbone switch. These switches are provided with the UPS back-up facility.

All four servers, namely e-mail, library, general and local bodies, are connected with the LAN. The users have been given specific rights to access these servers and are permitted to access data available on servers.

The lease line connection to the Department of Electronics (DoE) through the Mahanagar Telephone Nigam Limited (MTNL) for internet access is in progress. At present this facility is only available in e-mail server with dial-up system.

E-MAIL FACILITY

All users are provided e-mail account at their desk with password security.

EXTENSION OF LAN FOR NEW ROOMS

Extension of LAN for the newly constructed rooms on the second floor is in progress.

TRAINING PROGRAMMES

A LAN training programme on Windows NT was conducted by a WIPRO team at the NIPFP auditorium for the advantage of some staff members.

Jagdish Arya and Anil Kumar Sharma are undergoing one-year training in computer hardware at the Electronic Trade and Technology Corporation, Government of India, New Delhi.

Highlights of Faculty Activities

As in the past, the professional staff of NIPFP participated in wide-ranging activities both in India and abroad. Such activities comprise giving lectures, participation in seminars & symposia, membership of government, academic, professional, and other committees and bodies, as also rendering research and advisory services at the invitation of Indian and foreign organisations. Apart from their primary responsibilities at the Institute, their co-academic activities are highlighted below. Details of their published work are given in Annexure V.

□ **C. Rangarajan**, Chairman, NIPFP and Governor of Andhra Pradesh, and Orissa was given "The Financial Express Award for Economics 1998". He was also chosen for the award "Finance Man of the Decade" by the Bombay Management Association and five all-India financial organisations. Besides, he was the recipient of the 1998 "Award of Excellence in Finance" organised by Bank of India.

He served as member of the Commonwealth Expert Group on Protecting Countries Against Destabilising Effects of Volatile Capital Flows which submitted its report to Commonwealth Finance Ministers in September, 1998. During the year, he delivered several lectures on issues of contemporary importance. Notable among them were: the JRD Tata memorial lecture, "Indian Economy - The Years Ahead" organised by ASSOCHAM; WWF India conservation day lecture "Economics and Environment -

Some Vital Links"; "Monetary Policy, Targets and Objectives" at the IGIDR, Mumbai; the R.N. Malhotra memorial lecture "Management of External Sector"; and "Issues Before the Eleventh Finance Commission" at the EFC- NIPFP national seminar with the same title; "Indian Economic Reforms – Approach and Content" at the University of Hyderabad; and the Kelkar alumni lecture, "Technology, Productivity and Economic Growth" at IIT, Kanpur.

C. Rangarajan also published several papers and articles in various journals and newspapers.

□ **Ashok Lahiri**, Director, is in charge of all activities of the Institute — academic and administrative. He is in the process of finalising his co-authored interim report titled, **Tariffs in Indian Hotels**. The project will be carried forward to assess the impact of the tariff system in hotels on tourism and foreign exchange. Also, making headway are his studies, **Disinvestment and Privatisation in India: Progress, Problems and Prospects**; and **Sikkim: Vision for the Next Millennium**. Outside of project work, he continued his participation in the Expert Technical Group constituted by the Government of India in June 1996 to examine various aspects of pricing of crude and petroleum products and to suggest alternative structure of duties and levies. The Group sent its third report in 1999 after the first and second reports in 1996 and 1997 respectively. He served as a member to RBI's Informal Advisory Committee on Ways and Means Advances (WMA) to State Governments; the recommendations of the committee regarding revision of the WMA limits of states were subsequently accepted and implemented by the RBI.

His varied policy advisory role is also reflected through his membership to the Reconstituted Advisory Council, India International Centre; Audit Advisory Board, CAG of India; Technical Committee on State Government Guarantees, RBI; Group of Experts for Development of Infrastructure through Private Investment in Punjab; Technical Advisory Committee for Social Sciences Division of ISI, Calcutta; and Committee to Restructure the National Institute of Bank Management. Ashok Lahiri was invited to a meeting chaired by the Minister for Environment and Forests to consider ways and means for financing environmentally sound technology pollution control systems, afforestation and wasteland development. During the year, he visited Bosnia and Herzegovina on consultancy assignments of the World Bank.

Ashok Lahiri delivered assorted lectures in economics in the course of the year: on "Monetary Policy and Stabilisation" at the World Bank Institute – NIPFP course on **Macro Economic Management: Current Policy Issues** at NIPFP; on "Economic Reforms" to senior IAS officers at Haryana Institute of Public Administration, Gurgaon; on "Fiscal Reforms" at a Indo Russian Dialogue at Centre for Policy Research; on "Post Liberalisation Economic Scenario in India" for officers of the Controller General Defence Accounts; on "Capital Flows, Financial Markets and Exchange Rates" at a foreign diplomats' professional course, and on current economic scenarios at various places.

He was often consulted by the print and television media on economy related

analyses, particularly the Union Budget, and served as panel discussant at diverse venues. He contributed several articles on contemporary issues to finance related newspapers.

□ **Raja J. Chelliah**, Professor of Eminence, continued to play pivotal role in national level committees – convenor of the Committee of Chief Ministers involved in monitoring issues of rationalisation of sales tax; introduction of VAT; and incentives to backward areas; chairman of the Steering Committee for the preparation of a Model Vat Law for the States of India. He is also chairing the Expert Committee on Environmental Economics and the Environmental Economics Overseas Fellowship sub-committee set under the aegis of the World Bank aided programme on environmental economics.

He presented the theme paper at the seminar on **Issues before the Eleventh Finance Commission** as also a keynote address at another workshop on **Issues Before the Eleventh Finance Commission – The Case of Tamil Nadu** organised by the Madras Institute of Development Studies. He was invited to post-budget consultations on the Union Budget 1998-99 organised by the Capital Market.

Raja Chelliah delivered several lectures organised by universities, research institutions and chambers of commerce and industry: the Rajaji Endowment lecture on 21st century, "Economic and Political Challenges for India" at Bharatiya Vidya Bhavan, Coimbatore; the State Bank of Hyderabad Endowment Lecture on "Efficiency and Equity as Criteria in Economic Policy" at Gulbarga University; the inaugural speech at a workshop on **Environment Studies** at Visva Bharati University; the inaugural address on Intellectual Property Rights at Anna University; and on "State of the Indian Economy" to the officers of the Southern Naval Command, Kochi.

Other research output of Raja Chelliah included a co-edited book on **Income Poverty and Beyond**, published by the Social Science Press, 1999; and an article on "Value Adding Governance" in ASSOCHAM'S, *India Look Ahead*.

□ **Amaresh Bagchi**, Professor Emeritus, NIPFP was appointed member of the Eleventh Finance Commission in July 1998. Since August 1998, he is a member of the Economic Advisory Council to the Prime Minister. He also served as a member of the Steering Committee on Model Sales Tax Law, which submitted the Draft Model Law in September. He was also a member of the National Advisory Board on Statistics.

□ **Om Prakash Mathur**, Professor and Head of the Housing and Urban Economics Unit, continued to carry forward research in the area of rural and urban economics and finance. During the year, he finalised the **Delhi Fiscal Study** in collaboration with a colleague; and a study to review legal provisions on **Indian Property Law: Titling, Registration, and Conveyance**. His projects involving updation and maintenance of **Local Finance Data Systems** of about sixteen major states of India and redrafting of **The Indian Stamp Act, 1899** are nearing completion. His current responsibilities include providing to the

Eleventh Finance Commission a report on the estimate of financial requirements of municipalities. He is a member of the NIPFP team working on **Studies on Capacity Building for Fiscal Devolution in Sri Lanka**.

As of before, Om Prakash Mathur actively continued to participate in urban development policies at the United Nations level. During the year under review, he attended the United Nations Centre for Human Settlements (UNCHS) Regional Consultations on Urban Poverty at Fukuoka, Japan; and the United Nations Centre for Regional Development (UNCRD) Global Forum on Regional Planning and Development at Nagoya. As member of the Steering Committee on ASIA-URBS Urban Development, he participated in its first meeting convened at Brussels to establish guidelines and rules for the Asian Countries to submit proposals to the European Commission for financial support. At Geneva, he was among the forum of researchers studying human settlements. He was an invitee to international events, namely, **World Bank Conference on Poverty: The World Development Report**; the international conference on **Financing of Urban Infrastructure**; and, the international symposium on **Business Citizenship for Equitable Cities**, all three at New Delhi.

He co-ordinated a five-day training course on **Local Resource Mobilisation** for the executives of local bodies at the Administrative Training Institute Nainital. He lectured on "Local Finances" to the IA&AS Probationers and on "Fiscal Decentralisation and Macroeconomic Implications" at the World Bank - NIPFP seminar at the Institute.

Om Prakash Mathur continued to serve as 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 at New Delhi; and the Governing Body of the National Institute of Urban Affairs, New Delhi.

The *Journal of the Review of Urban and Regional Development Studies* (Tokyo International University) as also the *Journal of the Environment and Development Economics*, University of York continue to have him on their respective editorial boards.

He was responsible for editing the publication *India: The Challenge of Urban Governance* produced under the joint auspices of NIPFP and the Centre for Urban Community Studies, University of Toronto. He also wrote for the World Bank a paper on "Decentralisation in India: A Report Card".

□ **Mahesh C. Purohit**, Senior Fellow, was a member of the Steering Committee on VAT Manual. He finalised the draft of **Model Statute for Value Added Sales Tax** with other members of the team. During the course of its completion, he led a delegation to Revenue Canada and Finance Canada at Ottawa for discussions on **Capacity Development of Revenue Administration**. He is now involved in a follow-up of the study, titled **Model Statute for VAT - Administrative Procedures**. The emphasis of his work, during the year under review was in an advisory capacity. As such, he served as a member to several governmental committees, such as, the Steering Committee for Review of Regional Plan

2001 for the NCR Planning Board; Expert Group on Ferrous and Non-Ferrous Metal; and Expert Group on Service Tax. Mahesh Purohit was retained by the National Pharmaceutical Pricing Authority for his expert advice on its final report for fixation of prices of drugs under Drug Prices Control Order, 1995. He chaired the subgroup on Fiscal Policy for the NCR Planning Board and served as secretary to the Committee of State Finance Ministers for **Charting A Time Path for Introduction of VAT**.

Furthermore, he continued to be on the advisory panel to the Centre of Advanced Study in Economics, University of Bombay; member of the High Powered Committee on Mobilising Resources for the Ninth Five Year Plan, Government of Rajasthan; secretary, Committee of Chief Ministers constituted by the Government of India to monitor rationalisation of VAT and Incentives to Backward Areas; member of the Executive Committee, International Fiscal Association; member, Sales Tax Advisory Committee, Government of NCT; and member of the Editorial Board, IFA- India Branch, News Letter.

The thrust area of his research being VAT, Mahesh Purohit organised a two-week training programme on **VAT Policy and Administration** for the officers of the sales tax department, besides conducting a workshop on the same subject for the benefit of the traders of the sales tax department at New Delhi. He presented a paper on "Mobilisation of State Resources" at the State Institute of Public Administration, Jaipur; on "Political Economy of Tax Reforms and Resource Mobilisation: A Case Study of Uttar Pradesh", at the UP State Planning Department; and on "Assignment of Taxing Powers for Fiscal Balance" at the EFC-NIPFP seminar. Mahesh Purohit was a panelist at the **All-India Tax and Company Law Conference** organised by ASSOCHAM. His research output also included papers published by the Asian Institute of Urban Development, Bangalore, and ASSOCHAM, New Delhi. His paper "Road User Taxation in India" has been accepted for publication by *International Bulletin for Fiscal Documentation*.

At the NIPFP, he was member of the Governing Body and convenor, Academic Committee.

□ **Indira Rajaraman**, Senior Fellow, and Reserve Bank of India Professor of Fiscal Policy, continued to be engaged in research related to fiscal reform. She completed two major studies during the year: **State Fiscal Studies : Punjab** for the World Bank and **Sustainability of Public Domestic Debt in India** under a Ford Foundation grant. Her work on **Industrial Incentives in M.P.** sponsored by the Madhya Pradesh government is in progress. Another area of research activity during the year was on **NPA's of Commercial Banks in India**, resulting in a published academic paper.

During the year, she served as member of a number of committees and working groups: RV Gupta Committee on Small Savings (report submitted in September 1998); RV Gupta Committee on Transfer of Small Savings to a Body Corporate (report submitted in February 1999 and suggestions implemented in the Union Budget 1999); Board of Directors, General Insurance Corporation; Advisory Group on *Panchayats*, Eleventh Finance Commission; Task Force of the Ministry of Rural Affairs and Employment to

Study the Structure and Functioning of *Panchayats*; Faculty Selection Committee, Madras School of Economics; Fulbright National Selection Committee 1999-2000; Academic Advisory Committee of Centre for Canadian Studies, University of Delhi; and the Research Advisory Committee, ICRIER.

Indira Rajaraman was consulted on vital public policy matters by several national and international agencies, including representatives of governments, and investment and banking institutions.

She presented a paper on "Sustainability of Public Domestic Debt in India" at a Ford Foundation workshop at the Gokhale Institute of Politics and Economics, Pune, as also at the seminar on *Issues before the Eleventh Finance Commission*, New Delhi. She lectured on State Finances at training programmes at NIPFP and FICCI; on time-series analysis at the World Bank-NIPFP Joint Course on *Macroeconomic Management* at the Institute. She was invited to speak on "India Industry: Has the Dream Gone Sour" at IIT, Delhi. She was an invited reviewer of research on *New Roles of Government* at the School of Public Policy, University of Birmingham.

In the course of the year, Indira Rajaraman published two papers in the *Journal of Development Economics* and *Economic and Political Weekly*, and three articles on fiscal issues in the *Economic Times* and *Times of India*. She reviewed *Incentive and Institutional Reform in Tax Enforcement: An Analysis of Developing Country Experience* and *The New Middlewomen: Profitable Banking Through On-Lending Groups* for the journal *Book Review*. Three of her papers, "The Anatomy of Subnational Fiscal Reform"; "Agricultural Taxation in Developing Countries"; and "Univariate Time Series Analysis of Public Debt" are under process of refereeing at academic journals.

She chaired the library committee of NIPFP. She was convenor, seminars for the latter part of the year.

□ **D.K. Srivastava**, Senior Fellow, is also Principal Consultant to the Eleventh Finance Commission since November, 1998. His name came up for inclusion in the international directory of distinguished leadership published by the American Biographical Institute, North Carolina. At the Institute, two of his major studies were finalised, namely, the *Fiscal Studies of Assam and Kerala* in collaboration with other colleagues. In the advanced stages of completion are his other co-authored studies, *Central Budgetary Subsidies in India*; and *External Assistance: Terms and Conditions of Transfer to States*. In addition, *Positive and Perverse Subsidies and the Environment* for the Ministry of Environment and Forests and *Sikkim: Vision 2015* for the Government of Sikkim have also taken off. His paper "On Manu-Kautilya Norms of Taxation: An Interpretation Using Laffer Curve Analytics" appeared as a discussion paper of NIPFP. As member of the Group of Experts constituted by the Government of India, he submitted a report on *Financial Resource Requirements for Free and Compulsory Primary Education* to the Ministry of Human Resource Development in March 1999.

He undertook the overall responsibility of organising the EFC-NIPFP seminar, *Issues*

Before the Eleventh Finance Commission where he also presented the theme paper. He was discussant in the technical session, *Public Debt and Liabilities*.

D.K. Srivastava lectured on fiscal federalism and on various aspects of taxation in the three lectures given at the NIPFP organised training programmes on *Centre State Financial Relations and Value Added Tax: Policy and Administration*. He was also invited to lecture at the training courses organised by the National Institute of Financial Management, Faridabad.

Nominated as Provincial Expenditure Expert to the UNDP funded project, *Capacity Building for Fiscal Devolution in Sri Lanka*, he presented a paper on fiscal federalism at the inaugural workshop in Colombo; participated in a symposium on *Outlook for the Indian Economy* featured by Chartered Financial Analyst, and acted discussant at the conference on Ford Foundation Research Papers at New Delhi. His paper "Emerging Fiscal and Economic Issues" was published by the *Indian Tax Institute*, 1999.

The television and print media invited him to several consultations pertaining to the Union Budget and current economic affairs. D.K. Srivastava continued to be member, International Institute of Public Finance; editorial board *Public Finance and Management* (Internet Journal); Editorial Board, *Indian Journal of Economics*. He remained chairman, computer committee, NIPFP.

□ **JVM Sarma**, Senior Fellow, finalised the *Tamil Nadu State Fiscal Review* in association with other colleagues at the Institute. Currently, he is working on *Projections of Central, State and Local Taxes*. He is also involved in studying, *Capacity Building for Fiscal Devolution in Sri Lanka*.

JVM Sarma is serving as member of the Gujarat State Finance Reforms Committee; also as member Working Group on Central Customs and Excise Tax Reforms, Ministry of Finance. He was responsible for conducting a training course on *Fiscal Policy* for the probationers of Indian Audit and Accounts Service. He assisted in coordinating the World Bank Institute - NIPFP international training course on *Macroeconomic Management: Current Policy Issues*. He delivered two lectures each on "Aspects of International Taxation and Double Tax Treaties" and "VAR Techniques with Macro Applications" in the above two seminars. His research on the fiscal situation in Tamil Nadu resulted in a paper "State Fiscal Studies: Tamil Nadu" presented at a workshop on the *Eleventh Finance Commission - The Case of Tamil Nadu* at the Madras Institute of Development Studies. During the year under review, he published an article entitled, "Fiscal Reforms in India: Tasks Ahead".

□ **Pawan K. Aggarwal**, Senior Fellow, completed the draft report *Discriminatory Tax Treatment of Domestic, vis-à-vis, Foreign Products* for the Tariff Commission. His research on the subject resulted in a seminar on the same topic at the NIPFP. He is now engaged in analytical work in the form of background papers, such as, "Issues in Administration of VAT" and "Experience with Limited VAT in India" for a co-sponsored

project of central and state governments. "Non-compliance and Enforcement Strategies" is also being studied for the same project. His on-going research at the Institute comprises creation of a **Database on Customs Tariff and Tariff Bindings**, and building an **Interactive Model for Assessing Changes in Rates and Assisting Tariff Negotiations**, besides **Capacity Building in Revenue Devolution in Sri Lanka: Tax Issues** which is part of the larger UNDP project.

He delivered as many as eleven lectures based on his research at NIPFP training programmes for officials of the IAS; Sales Taxation; and Probationers of the IA & AS. He was responsible for conducting a training programme on **Value Added Tax** for the officials of the commercial tax department, Tamil Nadu followed by an inception workshop on the **Implications of VAT** for the traders of the same state.

Pawan Aggarwal continued to serve as member of the Working Group on comprehensive computerisation in the income tax department and was appointed member of the Expert Group on service tax. He participated in a training programme at the Harvard Institute for International Development. At the **Issues Before the Eleventh Finance Commission** seminar, his paper "Ramifications of Alternative Revenue Sharing Criteria: A Review" came up for presentation. His paper, "The Tax System and Reform Proposals in India" was published by the Korea Development Institute.

□ **A.L. Nagar**, Senior Consultant, headed the project on **Health and Environment**, funded by the Ford Foundation. On the basis of his research findings, the report was bifurcated into two parts, namely, **Micro Analysis of Health Scenario in Delhi using Secondary and Primary Data**; and **State level Macro Analysis of Health Scenario in India**. The report is expected to be finalised in June 1999. He delivered a seminar on **State Level Macro Analysis of Health Scenario in India** at the School of International Studies, JNU.

□ **Tapas Sen**, Fellow, continued to be Incharge, State Finances Unit of the Institute. He also supervised the Public Finance Information System (PFIS), a data base on government finances in India. His research activities completed during the year include a study of the **Administration of Motor Vehicle Tax**, and a study of **Haryana State Finances** (co-authored) as part of the series of state fiscal studies sponsored by the World Bank. He has also co-authored a study of **Fiscal Trends in Maharashtra**, and the theme paper for the seminar **Issues Before the Eleventh Finance Commission**. He visited Ethiopia in May 1998 as a short-term consultant to, and prepared a report on **Fiscal Federalism in Ethiopia** for the World Bank. In January 1999, he prepared a preliminary paper on "Intergovernmental Grants in Sri Lanka" as part of the Institute's ongoing programme on **Capacity Building for Fiscal Devolution in Sri Lanka** sponsored by the UNDP. He participated as a resource person in a workshop on the same theme at Colombo in February 1999, and made a presentation on "Intergovernmental Transfers: International Experience". Apart from the study reports/papers mentioned above, he published papers relating to state

government finances, tax effort of Indian states and tax proposals in the Union Budget 1999.

At the Institute, he was the course director to a one-week training course on **Intergovernmental Financial Relations** sponsored by the Department of Personnel and Training for officers of the Indian Administrative Service. In addition to two lectures delivered in this training programme, he also delivered lectures to the participants of training programmes for officers of the IA&AS at NIPFP, and for IAS officers at the National Institute of Financial Management, Faridabad. In March 1999, he made a presentation on "Convergence in India" to the participants of the World Bank Institute - NIPFP training course on macroeconomics, held in New Delhi.

□ **Rita Pandey**, Fellow and Incharge Environment Policy Cell, continued to concentrate on environmentally benign research work. She finalised and submitted to the Ministry of Environment and Forests (MoEF) a major study titled, **CETPs and Pollution Abatement in Small Scale Industries**. Also, nearing completion is her study on **Tradeable Permits for Intra Firm Trading for Air Pollution Control: A Case Study of Bokaro Steel Plant**. She is at present involved in studying **Positive and Perverse Subsidies and the Environment: With Special Reference to Agriculture in India**; and **Fiscal Measures for Air Pollution Control in Delhi**.

She is member secretary of the Environmental Economics Overseas Fellowship sub-committee, set up under the World Bank Aided Programme on Environmental Economics. She also continues to represent NIPFP on the Technology and Finance Standing Committee and Steering Committee of the MoEF on implementation of the Montreal Protocol for phasing out ozone-depleting substances.

During the year under review, Rita Pandey delivered two research based lectures, one at the Institute of Economic Growth and the other at a NIPFP conducted course for the probationers of the Indian Audit and Accounts Service.

Rita Pandey's other research output included three published articles, "Volume and Composition of Housing Subsidies in India Through the Central Government"; "Fiscal Options for Vehicular Pollution Control in Delhi"; and "Pricing Industrial Pollution: A Case Study of India".

□ **P.N. Bhattacharyya**, Consultant, joined NIPFP in July 1998. He is engaged in compiling a data base on public finance, covering the entire gamut of transactions of the governments of the central, state and union territories for the last about 25 years. He held talks on the "Preparation of the Budget and Budgetary exercises" with Group A and B officers of the Indian Civil Accounts Organisation. He delivered a lecture on the same topic to the trainees of the Indian Audit and Accounts Service.

His article on "Pitfalls in Public Expenditure Management," was published in the Economic Times of March 31, 1999.

□ **Hiranya Mukhopadhyay**, Senior Economist in the RBI Unit was a visiting scholar to the Oxford University during the early part of the year. During his stay there, he presented papers at the Oxford University; Tinbergen Institute, Netherlands; and the University of Namur, Belgium. At NIPFP, he is associated with two ongoing projects, namely, **Tariffs in Indian Hotels**; and **Incentives and Industrialisation in Madhya Pradesh**. He presented a paper, "Why Income Distribution should be a part of Devolution Formula?" at the EFC seminar, where he also acted as a discussant in one of the sessions. His papers on "Monetary Transmission Mechanism: The Credit Channel Hypothesis Revisited" and "Exchange Rate Management and Monetary Measures: RBI's Policy Dilemma in the Context of Currency Crisis" have been accepted for publication in journals. Hiranya Mukhopadhyay's paper entitled, "Why India's Economic Reforms Stumbled? One of the Plausible Stories" is in the process of being refereed for publication.

Hiranya Mukhopadhyay, delivered one lecture each to the trainees of the Indian Statistical Service and Indian Audit and Accounts Service. He was discussant at the conference on **Money and Finance** at the Indira Gandhi Institute of Development Research, Mumbai.

□ **R. Kavita Rao**, Senior Economist, was one of the team to attend the VAT Manual discussions with Canadian officials at Ottawa. Prior to that, she attended a training programme on **Value Added Tax Policy and Administration** at the Harvard Institute of International Development. She is co-author to two NIPFP studies, namely, **State Fiscal Studies: Haryana** and **Fiscal Trends in Maharashtra**, and at present is involved with a project on **Tariffs in Indian Hotels**. The interim report of this project is nearing completion. She delivered one lecture each to the probationers of the Indian Statistical Service; and Indian Audit and Accounts Service. She was a discussant for the session on **Expenditure** at the seminar on **Issues Before the Eleventh Finance Commission**.

□ **C. Bhujanga Rao**, Senior Economist, is involved in the completion of **External Assistance: Terms and Conditions of Transfer to States**. He is at present on deputation to the Eleventh Finance Commission.

□ **Hasheem Nouroz**, Senior Economist, joined the Institute in August 1998, after a two year stay at Harvard University she is at present working on **Incidence of Indirect Taxes and Subsidies: 1997-98**. She is also updating her thesis on **Protection in the Manufacturing Sector** for publication. During the reporting year, Hasheem was a member of the Expert Group on Textiles and Yarn, Central Customs & Excise. She also provided research inputs to the Director, NIPFP who was for some time a member of the Expert Committee on fiscal policy for the textile sector. She was a participant at the workshop on **New Trade Agenda, the WTO and India**, organised by ICRIER and EDI.

□ **Dev Raj Singh**, Library and Information Officer, continued to be an honorary member

of the Faculty of the Delhi Library Association (DLA). He was also appointed treasurer of the Indian Library Association. He was a participant at the **34th All India Library Conference** held at Hyderabad during 25-28 February, 1999. He was Associate Editor to **Library and Information Services in the Electronic Information Era**, published by the Indian Library Association.

□ **Saumen Chattopadhyay**, Economist, was one of the authors of the **State Fiscal Studies: Assam** submitted to the World Bank in June 1998. He has also co-authored the **Fiscal Study of Kerala**. Among his on going projects is **Sikkim: Vision for the Next Millennium**.

He actively assisted the Institute in organising the seminar on **Issues Before the Eleventh Finance Commission** at Vigyan Bhawan. He was also involved in co-ordinating the training course at NIPFP for the probationers of Indian Audit and Accounts Service where he evaluated the participants and presenters with other colleagues. He attended a workshop on **VAT** conducted by the Commercial Tax Department of Andhra Pradesh.

□ **Gautam Naresh**, Economist, was one of the three authors of **State Fiscal Study: Tamil Nadu**. During the year, The Indian Econometric Society (TIES) elected him member of its Executive Committee; he attended its thirty-fifth annual conference; and acted as a rapporteur in a session on **Database**. At the 1998 India and South Asia meeting of TIES, he presented a paper "Modelling Local Fiscal Behaviour with Politico-Bureaucratic Utility-maximisation Approach: Estimates of Response Parameters". He co-ordinated the course on **Fiscal Policy** for the trainees of the Indian Audit and Accounts Service.

□ **V. Selvaraju**, Economist, was associated with **Differential Tax Treatment of Imports, vis-à-vis Domestic Products** to estimate the pros and cons of local taxes on domestic products versus imported products which are subjected to customs as also countervailing duties. He is at present engaged in the preparation of a data base on excise and customs duties including sales tax. He attended two workshops in the course of the year, one on **VAT** at Hyderabad; and another on **Agenda for Human Development Programme** at NCAER, New Delhi.

□ **Diwan Chand**, Economist, is involved in the updation of the data base on government finances in the **Public Finance Information System**, an on-going project of the State Finances Unit. He is also assisting in the preparation of the study **Projections of Tax Revenues of Centre, State and Local Governments**. During the year, he co-ordinated the course on **VAT Policy and Administration** for sales tax officers of the Government of NCT at New Delhi.

□ **Rita Wadhwa**, Editor, attended a two-week course on editing and professional publishing at the University of Stanford, USA. She co-ordinated with the press and

HIGHLIGHTS OF FACULTY ACTIVITIES

television media for the seminar, *Issues Before the Eleventh Finance Commission*.

□ **P.R. Jena**, *Economist*, is co-author of the completed study **State Fiscal Studies: Kerala**. He is also working for **External Assistance to India: Concessionality and Transmission to States**. He assisted the NIPFP in organising the seminar on *Issues Before the Eleventh Finance Commission* at Vigyan Bhawan, New Delhi. He was also among the team involved in carrying out the evaluation of the presenters and participants of the NIPFP training course for the probationers of the Indian Audit and Accounts Service.

□ **T.S. Rangamannar**, *Consultant*, is co-author of the World Bank funded **State Fiscal Studies of Assam**; and **Delhi**. Both studies were completed in the reporting year. He is also a member of the study team working on **External Assistance to India: Concessionality and Transfers to States**.

T.S. Rangamannar prepared in-house papers on "Income tax concessions available to identified backward areas in the country" and "Tax incentives under the sales tax laws in states for the development of backward areas" for a meeting of Committee of Chief Ministers on rationalisation of sales tax chaired by Jyoti Basu, Chief Minister of West Bengal at NIPFP.

He assisted Raja Chelliah in the preparation of his paper "Issues Before the Eleventh Finance Commission" and provided inputs to Mahesh C. Purohit's paper "Assignment of Taxing Powers and Fiscal Imbalance," both presented at the EFC Seminar. He was also actively involved in the organisation of this seminar. The course directors of the training programme organised for the probationers of the IA&AS sought his assistance for evaluation of the participants. He delivered a lecture to the officers of the Indian Statistical Service.

□ **Sujata Dutta**, *Research Associate*, has initiated a study entitled, **Financial Sector Reform**. The study seeks to present an overview of the financial sector development in the backdrop of the Indian money market.

□ **O.P. Bohra**, *Research Associate*, is co-author of **State Fiscal Studies: Tamil Nadu**. He is at present on deputation to the Eleventh Finance Commission.

□ **H.K. Amar Nath**, *Research Associate*, is co-author of the completed studies **State Fiscal Studies: Punjab**; and **Fiscal Trends in Maharashtra**. He is at present on deputation to the Eleventh Finance Commission.

10 NIPFP Staff

A complete list of staff members – permanent and contractual – as on March 31, 1999, is at Annexure VI.

11 Sponsoring Members

A complete list of sponsoring, corporate, permanent, and ordinary members of the Institute, as on March 31, 1999, is at Annexure VII.

12 Finance and Accounts

The statement of Accounts of the Institute for the financial year 1998-99, duly audited by the Institute's auditors M/s Thakur Vaidyanath Aiyar and Company, Chartered Accounts can be seen in Annexure VIII.

LIST OF STUDIES 1998-99

TITLE	SPONSORING AGENCY/RESEARCH UNIT OF THE INSTITUTE	AUTHORS(S)/ RESEARCH TEAM
STUDIES COMPLETED		
1. State Fiscal Studies: Punjab	World Bank	Indira Rajaraman Hiranya Mukhopadhyay H.K. Amarnath
2. Sustainability of Public Domestic Debt in India	Ford Foundation	Indira Rajaraman Abhiroop Mukhopadhyay
3. State Fiscal Studies: Assam	World Bank	D.K. Srivastava Saumen Chattopadhyay T.S. Rangamannar
4. State Fiscal Studies: Kerala	World Bank	D.K. Srivastava Saumen Chattopadhyay P.R. Jena
5. Delhi Fiscal Study	World Bank	Om Prakash Mathur T.S. Rangamannar Om Prakash Mathur
6. Indian Property Law: Titling, Registration, and Conveyance	Department of Administrative Reforms and Public Grievances	
7. Model Statute for Value Added Sales Tax	Ministry of Finance R. J. Manay	Mahesh C. Purohit
8. Fiscal Trends in Maharashtra	LD.F.C.	Tapas K. Sen R. Kavita Rao H.K. Amar Nath
9. State Fiscal Studies: Haryana	World Bank	Tapas K. Sen R. Kavita Rao
10. Tax Administration at the State Level: Motor Vehicle Tax	UNDP	Tapas K. Sen
11. CETPs and Pollution Abatement in SSIs	Ministry of E & F	Rita Pandey Saubhik Deb
12. Differential Tax Treatment of Imports <i>vis-à-vis</i> Domestic Products	Ministry of Commerce	Pawan K. Aggarwal V. Selvaraju
13. State Fiscal Studies: Tamil Nadu	World Bank	J.V.M. Sarma G. Naresh O.P. Bohra

TITLE	SPONSORING AGENCY/RESEARCH UNIT OF THE INSTITUTE	AUTHORS(S)/ RESEARCH TEAM
STUDIES NEARING COMPLETION		
1. Industrial Incentives in Madhya Pradesh	Govt. of Madhya Pradesh	Indira Rajaraman Hiranya Mukhopadhyay Namita Bhatia
2. Central Budgetary Subsidies in India	Ministry of Finance	D.K. Srivastava H.K. Amar Nath
3. External Assistance: Terms and Conditions of Transfer to States	Ministry of Finance	D.K. Srivastava C. Bhujanga Rao T.S. Rangamannar P.R. Jena
4. Local Finance Data Systems	Ministry of Finance	Om Prakash Mathur
5. Tradeable Permits for Intra Firm Trading for Air Pollution Control - A Case Study of Bokaro Steel Plant	Ministry of Environment and Forests	Rita Pandey
6. Health and Environment	Ford Foundation	A.L. Nagar
7. The Indian Stamp Act, 1899	Ministry of Finance	Om Prakash Mathur
8. Projections of Central State and Local Taxes	Eleventh Finance Commission	J.V.M. Sarma Tapas K. Sen Om Prakash Mathur Pawan K. Aggarwal
9. Issues in Administration of VAT	Central and State governments	
10. Health Care Status in India	Ford Foundation	NIPFP study team
11. Health Care Systems in India	Ford Foundation	NIPFP study team
12. Health Care Financing Practices in Selected Countries	Ford Foundation	NIPFP study team
13. Database on Health Expenditure: Four Selected States (Vol. I & II)	Ford Foundation	NIPFP study team
14. Protection in the Indian Manufacturing Sector	—	Hasheem Nouroz

TITLE	SPONSORING AGENCY/RESEARCH UNIT OF THE INSTITUTE	AUTHORS(S)/ RESEARCH TEAM
ON-GOING STUDIES		
1. The Financial Requirements of Municipalities	Eleventh Finance Commission	Om Prakash Mathur
2. Capacity Building for Fiscal Devolution	UNOPS	NIPFP study team
3. Model Statute for VAT-Administration Procedures	Ministry of Finance	Mahesh C. Purohit
4. Reforms in Stamp Duty and Sales Tax In Orissa	Govt. of Orissa	Tapas K. Sen
5. Positive and Perverse Subsidies and the Environment: With Special Reference to Agriculture in India	World Bank	Rita Pandey D.K. Srivastava
6. Tariffs in Indian Hotels	Hotel Association of India	Ashok Lahiri Hiranya Mukhopadhyay Dipankar Purkaystha Kavita Rao in association with Mamta Parhi
7. Incidence of Indirect Taxes and Subsidies: 1997-98	NIPFP	Hasheem Nouroz
8. Sikkim: Vision for the Next Millennium	Govt. of Sikkim	Ashok Lahiri D.K. Srivastava Saumen Chattopadhyay
9. Disinvestment and Privatisation in India: Progress, Problems and Prospects	Ministry of Finance	Ashok Lahiri Rama Murali
10. Database on Customs Tariff Excise and Tariff Bindings	Ministry of Commerce	Pawan K. Aggarwal V. Selvaraju
11. Building a Data Bank on Public Finance		P.N. Bhattacharyya
12. Public Finance Information System (FIS)	Ministry of Finance	Tapas K. Sen

TITLE	AUTHORS(S)/ RESEARCH TEAM
WORKING PAPERS/DISCUSSION PAPERS/REPRINTS	
1. Transfer Pricing Regulations in India: Challenges Ahead (Reprint No.01/98) (May 1998)	Mahesh C. Purohit
2. Sustaining India's Megacities (Reprint No. 02/98) (May 1998)	Om Prakash Mathur
3. A Land-Based Agricultural Presumptive Tax Designed for Levy by Panchayats (Reprint No. 03/98) (August 1998)	Indira Rajaraman M.J. Bhende
4. The role of ROSCAs: lumpy durables or event insurance? (Reprint No. 04/98) (September 1998)	Charles W. Calomiris Indira Rajaraman
5. Fiscal Options for Vehicular Pollution Control in Delhi (Reprint No. 05/99) (February 1999)	Rita Pandey
6. NPA Variations Across Indian Commercial Banks: Some Findings (Reprint No. 06/99) (March 1999)	Indira Rajaraman Sumon Bhaumik Namita Bhatia
7. On the Manu-Kautilya Norms of Taxation: An Interpretation Using Laffer Curve Analytics (Discussion Paper No. 1/99) (March 1999)	D.K. Srivastava

ANNEXURE-II

GOVERNING BODY AS ON 31.3.1999

- | | |
|--|----------|
| 1. Dr. C. Rangarajan
Governor
Government of Andhra Pradesh
Raj Bhavan, Hyderabad-500041 | Chairman |
|--|----------|

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

- | | |
|---|--------|
| 2. Dr. Vijay Kelkar
Finance Secretary
Ministry of Finance, North Block
New Delhi-110001 | Member |
| 3. Shri J.A. Chowdhary
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
Shaheed Bhagat Singh Marg
Mumbai-400023 | Member |
|--|--------|

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

- | | |
|---|--------|
| 5. Mr. N.C. Saxena
Member-Secretary
Planning Commission
Yojana Bhavan, Parliament Street
New Delhi-110001 | Member |
|---|--------|

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

- | | |
|--|--------|
| 6. Shri K.P. Verma
Principal Secretary (Finance)
Government of Orissa
Secretariat
Bhubaneswar-751001 | Member |
| 7. Shri P.V. Rajaraman
Finance Secretary
Government of Tamil Nadu
Fort Street George
Chennai-600009 | Member |

- | | |
|---|--------|
| 8. Shri P.N. Roy Chowdhury
Secretary
Finance Department
Government of Gujarat
New Sachivalaya Complex
Gandhinagar-382010 | Member |
|---|--------|

Under Rule 7(b)(v) one nominee of a Municipal Corpn.:

Under Rule 7(b) (vi) one nominee of the ICICI:

- | | |
|---|--------|
| 9. Smt. Lalita D. Gupte
Deputy Managing Director
Industrial Credit and Investment
Corporation of India Ltd.
163, Backbay Reclamation
Mumbai-400020 | Member |
|---|--------|

Under Rule 7(b) (vii) two nominees of institutions:

- | | |
|--|--------|
| 10. Shri K.P. Singh
President
Associated Chambers of Commerce
And Industry of India
Allahabad Bank Building
17, Parliament Street
New Delhi-110001 | Member |
| 11. Shri Sudhir Jalan
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
Director and Chief Executive
Indian Council for Research on
International Economic Relations
India Habitat Centre
Core 6A, 4 th Floor, Lodhi Road
New Delhi-110003 | Member |
| 13. Prof. Vikas Chitre
Professor of Economics
Gokhale Institute of Politics and Economics
Pune-411004 | Member |

14. Dr. Pravin Visaria
Director
Institute of Economic Growth
University of Delhi
Delhi-110007
- Member*

Under Rule 7(b) (ix) Three representatives of collaborative institutions:

15. Prof. M.K. Rakshit
Director
Research Project on Money and
Finance in India, ICRA Limited
FMC Fortune, A-13, 5th Floor
234/3A, A.J.C. Bose Road
Calcutta-700020
- Member*

16. Prof. T.L. Sankar
Principal
Administrative Staff College of India
Bella Vista
Hyderabad-500082
- Member*

17. Prof. Suresh Tendulkar
Director
Delhi School of Economics
University of Delhi
Sudhir Bose Marg
Delhi-110007
- Member*

Under Rule 7(b) (x) one member to be co-opted by the Governing Body:

18. Shri Yezdi Hirji Malegam
S.B. Billimoria and Company
Meher Chambers
R. Kamani Road, Ballard Estate
Mumbai-400001
- Member*

Under Rule 7(b) (xi) Director of the Institute (ex-officio):

19. Dr. Ashok Lahiri, NIPFP
Director
New Delhi-110067
- Member-Secretary*

Under Rule 7(b) (xii) one senior fellow of the Institute by rotation:

20. Dr. Mahesh C. Purohit
Senior Fellow, NIPFP
New Delhi-110067
- Member*

Special invitees:

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

INTERNAL SEMINAR SERIES

Sl. No	Day and Date	Seminar Person's Name	Topic
1.	Tuesday May 14, 1998	Dr. D.K. Srivastava, Dr. C. Bhujanga Rao Mr. T.S. Rangamannar	<i>External Assistance to India: Concessionality and Transmission to States</i>
2.	Thursday June 25, 1998	Dr. Dipankar Purkayastha, NIPFP	<i>Tariff Structure in Indian Hotels</i>
3.	Friday June 26, 1998	Prof. Arvind Panagariya, Professor of Economics, University of Maryland, USA	<i>The Regionalism vs. Multilateralism Debate</i>
4.	Friday July 3, 1998	Dr. Kaushik Chaudhury, ISI, Delhi Centre, New Delhi	<i>Convergence of Inflation: Some New Evidence during Flexible Exchange Rate Period from OECD Countries</i>
5.	Thursday July 23, 1998	Dr. Buddhadeb, Ghosh, ISI, Delhi Centre, New Delhi	<i>Economic Growth and Regional Divergence in India: 1960 to 1995</i>
6.	Monday July 27, 1998	Dr. Ashok K. Lahiri, NIPFP, New Delhi	<i>Payments System Reforms in Bosnia And Herzegovina</i>
7.	Friday July 31, 1998	Prof. Om Prakash Mathur, Mr. T.S. Rangamannar Ms. Deepa Raghavan NIPFP, New Delhi	<i>State Fiscal Studies: Delhi</i>
8.	Friday July 31, 1998	Dr. J.V.M. Sarma, Dr. Gautam Naresh Dr. O.P. Bohra	<i>State Fiscal Studies: Tamil Nadu</i>
9.	Thursday August 20, 1998	Dr. Piyush Tewari, HDFC, Mumbai	<i>Mortgage Termination due to Pre-Payments</i>
10.	Thursday September 17, 1998	Dr. Cedric Pugh, Sheffield Hallam University, U.K.	<i>The Changing International Political Economy and the Finance of Infrastructure</i>
11.	Friday September 18, 1998	Prof. Nirvikar Singh, University of California, Santa Cruz, USA	<i>Local Government Reform in India</i>

Sl. No	Day and Date	Seminar Person's Name	Topic
12.	Thursday September 24, 1998	Dr. Amartya Lahiri, Department of Economics, UCLA	<i>Delaying the Inevitable: Optimal Interest Rate Policy & BOP Crisis</i>
13.	Friday September 25, 1998	Prof. Nirvikar Singh, University of California, Santa Cruz, USA	<i>Political Economy of Indian Federalism</i>
14.	Friday October 9, 1998	Prof. Mihir K. Rakshit, Director, Project on Money And Finance in India, ICRA Ltd, Calcutta	<i>Some Simple Economics of Bank Regulation</i>
15.	Thursday October 15, 1998	Mr. Santanu Gupta, IGIDR, Mumbai	<i>Political Accountability and Fiscal Federalism</i>
16.	Friday October 23, 1998	Dr. Pawan K. Aggarwal, Professor, NIPFP, New Delhi	<i>Discriminatory Tax Treatment of Domestic Products vis-à-vis Foreign Products</i>
17.	Friday December 18, 1998	Dr. Sarbajit Sengupta, Viswa Bharati, Calcutta	<i>Multinational Competition with Joint Ventures</i>
18.	Friday January 15, 1999	Prof. John E. Echeverri-Gent, University of Virginia	<i>Globalisation, Partisan Competition, and the Paradox of India's Economic Reforms</i>
19.	Wednesday January 27, 1999	Mr. A. Premchand, Retd. Assistant Director, International Monetary Fund, Fiscal Affairs Department	<i>Public Financial Management: Getting the Basics Right</i>
20.	Friday January 29, 1999	Prof. Ashok Lahiri, NIPFP	<i>Ways and Means Advances to the States</i>
21.	Friday February 19, 1999	Dr. Arindam Das-Gupta, World Bank, Washington D.C.	<i>Knowledge Management with Special Reference to Tax Systems</i>
22.	Friday March 19, 1999	Mr. Atul Sood, Economics Department Rohtak University	<i>Re-examining the Macroeconomic Impact of Fiscal Deficits: An Exercise in Methods</i>
23.	Friday March 26, 1999	Dr. J.V.M. Sarma, NIPFP	<i>VAR Applications and Studies</i>

LIST OF PRICED PUBLICATIONS

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.
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JVM SARMA

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RITA PANDEY

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LIST OF STAFF MEMBERS AS ON 31.3.1999

ACADEMIC STAFF

1. Dr. C. Rangarajan	Chairman
2. Dr. Ashok Lahiri	Director
3. Dr. R.J. Chelliah	Professor of Eminence
4. Dr. A. Bagchi	Professor Emeritus
5. Prof. O.P. Mathur	Senior Adviser
6. Dr. Mahesh C. Purohit	Senior Fellow
7. Dr. (Mrs.) Indira Rajaraman	Senior Fellow
8. Dr. D.K. Srivastava	Senior Fellow
9. Dr. Pawan K. Aggarwal	Senior Fellow
10. Dr. J.V.M. Sarma	Senior Fellow
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. C. Bhujanga Rao	Senior Economist (on deputation)
16. Dr. Hasheem Nouroz	Senior Economist
17. Shri Saumen Chattopadhyay	Economist
18. Dr. Gautam Naresh	Economist
19. Shri V. Selvaraju	Economist
20. Shri Diwan Chand	Economist
21. Dr. P.R. Jena	Economist
22. Mrs. Sujata Dutta	Research Associate
23. Dr. O.P. Bohra	Research Associate (on deputation)
24. Mrs. Gita Bhatnagar	Research Associate
25. Shri H.K. Amarnath	Research Associate (on deputation)

ADMINISTRATIVE STAFF

1. Mrs. A. David	Private Secretary
2. Ms. Sushila Panjwani	P.S. to Chairman
3. Shri Bhagwan Mann	Programme Development Officer (on deputation)
4. Shri N. Natarajan	P.S. to Director
5. Shri B.K. Chakravarti	Secretary
6. Shri N. Bhalla	Administrative Officer
7. Mrs. H. Gautam	Accounts Officer

8. Mrs. Rita Wadhwa	Editor
9. Shri R. Parameswaran	Stenographer Gr. I
10. Shri R. Periannan	Stenographer Gr. I
11. Shri R.S. Tyagi	Stenographer Gr. I
12. Shri Praveen Kumar	Stenographer Gr. I (on deputation)
13. Shri Hari Shankar	Hostel Incharge
14. Shri Satish Prabhu	Executive Officer
15. Shri S.C. Sharma	Assistant
16. Shri Bhaskar Mukherjee	Assistant
17. Mrs. Indira Hassija	Assistant
18. Shri Parvinder Kapur	Stenographer Gr. II
19. 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 Rajender 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 Rawat	Hostel Attendant
34. Shri Dhanpat	Hostel Attendant
35. Shri Raju	Photocopier Operator-cum-Driver
36. Shri Lal Bahadur	Watchman
37. Shri Kishan Singh	Messenger
38. Shri Bishamber Pandey	Messenger
39. Shri Mohan Singh	Messenger
40. Shri Shiv Bahadur	Gardener
41. Smt. Palayee	Gardener
42. Smt. Kamla Tiwari	Messenger
43. Shri Shiv Pratap	Gardener
44. Smt. Annamma George	Messenger

COMPUTER STAFF

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

LIBRARY STAFF

- | | |
|-----------------------|---|
| 1. Dr. Dev Raj Singh | Library and Information Officer |
| 2. Mrs. Shashi Gupta | Assistant Library and Information Officer |
| 3. Shri Dinesh Chand | Assistant Library and Information Officer |
| 4. Smt. Sudha Saxena | Sr. Library Information Assistant |
| 5. Shri P.C. Upadhyay | Sr. Library Assistant |
| 6. Shri Dharamvir | Sr. Library Attendant |
| 7. Shri Hira Singh | Jr. Library Attendant |

CONTRACTUAL ACADEMIC STAFF

- | | |
|-----------------------------|-----------------------|
| 1. Shri T.S. Rangamannar | Consultant |
| 2. Shri P.N. Bhattacharyya | Consultant |
| 3. Ms. Mamta Parhi | Jr. Consultant |
| 4. Ms. Namita Bhatia | Jr. Consultant |
| 5. Shri Prithvijit Roy | Jr. Consultant |
| 6. Shri Sandeep Thakur | Project Associate |
| 7. Shri Anil Kumar Yadav | Project Associate |
| 8. Ms. Sarmistha Mukherjee | Project Associate |
| 9. Ms. Ranja Sengupta | Project Associate |
| 10. Ms. Jeeta Mohanty | Project Associate |
| 11. Shri Saubhik Deb | Project Associate |
| 12. Shri Somshankar Ghosh | Project Associate |
| 13. Ms. Karabi Saha | Project Associate |
| 14. Shri Anik Bhaduri | Project Associate |
| 15. Shri Partha Pratim Sahu | Project Associate |
| 16. Shri S.S. Pattanayak | Project Associate |
| 17. Ms. Monica Singhee | 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. Usha Mathur | Steno-Typist |
| 6. Ms. Rekha | Steno-Typist |
| 7. Ms. Surekha Bedi | Steno-Typist |
| 8. Ms. Vineeta | Steno-Typist |
| 9. Mrs. Sushma Malhotra | Steno-Typist |
| 10. Mrs. Kiran Malik | Steno-Typist |
| 11. Ms. Rashmi Singhal | Data Entry Operator |
| 12. Mr. Rajeev Kr. Singh | Data Entry Operator |
| 13. Shri Vikram Singh | Data Entry Operator |
| 14. Shri V. Karketta | Peon |
| 15. Shri Rup Singh | Peon |

LIST OF SPONSORING, CORPORATE, PERMANENT AND ORDINARY MEMBERS AS ON 31.3.1999

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
3. Government of Tripura

OTHERS

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

ANNUAL ACCOUNTS

Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants

212, Deen Dayal Marg,
New Delhi-110 002
Phones: 3236958-59-60
Telegramme 'Audit'

AUDITOR'S REPORT

To
The Members of the General Body
National Institute of Public Finance and Policy
New Delhi

We have examined the attached statement of Financial Position of the National Institute of Public Finance and Policy, New Delhi as at 31st March, 1999 and have also examined the Income and Expenditure Account and Receipts and Payments Account for the year ended on that date which are in agreement with the books of accounts maintained by the Institute.

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

In our opinion and to the best of our information and according to the explanations given to us, the said statement, read along with the significant accounting policies and notes thereon, give a true and fair view:

- (a) In the case of the statement of Financial position of the state of the affairs of the Institute as at 31st March, 1999 and
- (b) In the case of the Income and Expenditure Statement, of the surplus for the year ended on that date.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants

sd/-
(R. Balachander)
Partner

Place : New Delhi
Dated: 4th Oct. 1999

STATEMENT OF FINANCIAL POSITION AS ON 31.03.99

	Schedule Ref	As at 31.03.99 [Rs.]	As at 31.03.98 [Rs.]
SOURCES			
Assets Fund	1 (a)	41,818,127	22,372,311
Endowment Fund	1 (b)	21,401,892	22,080,197
Earmarked Funds	2	18,177,042	16,134,215
Loan Funds	3	550,008	815,852
Unutilised Grants	4	5,701,099	13,668,778
Total		87,648,168	75,071,353
APPLICATION			
Fixed Assets	5	41,818,127	24,280,307
Investment of Earmarked and other Funds	6	35,150,920	37,807,420
Net Current Assets	7	10,679,121	12,983,626
Total		87,648,168	75,071,353

Notes forming part of Accounts 14

Schedules referred above form integral part of this Statement.

sd/- Mrs. H. Gautam Accounts Officer	sd/- Mr. B.K. Chakravarti Secretary	sd/- Dr. Ashok Lahiri Director	sd/- Dr. C. Rangarajan Chairman
--	---	--------------------------------------	---------------------------------------

As per our report of even date

For THAKUR, VAIDYANATH AIYER & CO.
CHARTERED ACCOUNTANTS

sd/-
(R. BALACHANDER)
Partner

PLACE : NEW DELHI
DATED : 31 JUL 1999

INCOME AND EXPENSES STATEMENT FOR THE YEAR ENDED 31ST MARCH 1999

	Schedule	As at 31.03.99 [Rs.]	As at 31.03.98 [Rs.]
INCOME			
Grants – General Support			
– Central Govt.	8 (a)	11,498,508	12,139,245
– State Govt.	8 (b)	860,000	960,000
Project Support	12	1,066,206	2,949,700
Endowment Chairs/Cells	13	2,086,209	1,176,397
Project Fees		16,728,251	5,666,449
Course and Programme Fees		1,513,767	236,000
Corporate Membership Fees		25,000	30,000
Interest on Investment		162,895	843,836
Other Receipts		652,902	1,175,350
Total		34,593,738	25,176,977
EXPENSES			
Research Activities	9	15,835,012	10,164,562
Salary and Allowances	10	3,375,168	1,162,322
Operational Expenses	11	6,988,024	4,625,013
Administrative Expenses	12	1,066,206	2,949,700
Expenses on Projects	13	2,086,209	1,176,397
Expenses on Endowment Chairs/Cells		29,130,619	20,077,994
Cost of assets acquired during the year		–	2,205,448
Depreciation		4,527,274	1,705,141
Total		33,657,893	23,988,583
Surplus for the year		935,845	1,188,394
Add: Adjustment Relating to Previous year		–	235,551
Add: Adjustment of Assets Sold		–	165,631
		935,845	1,589,576
Less: Previous Year Deficit		–	479,710
Balance carried over to Additional Liability Fund		935,845	1,109,866

Schedules referred above form integral part of this Statement.

sd/- Mrs. H. Gautam Accounts Officer	sd/- Mr. B.K. Chakravarti Secretary	sd/- Dr. Ashok Lahiri Director	sd/- Dr. C. Rangarajan Chairman
--	---	--------------------------------------	---------------------------------------

As per our report of even date

For THAKUR, VAIDYANATH AIYER & CO.
CHARTERED ACCOUNTANTS

sd/-
(R. BALACHANDER)
Partner

PLACE : NEW DELHI
DATED : 31 JUL 1999

SCHEDULE - 1 (A)

CAPITAL ASSETS FUNDS

1. Capital Assets Fund

Balance at the beginning of the year

Add: Assets added during the year

- Transfer from End. Fund	(Ref. Sch.2)	529,674	22,372,311	20,142,508
- Transfer from Life Membership Fund	(Ref. Sch.2)	17,982		
- Transfer from Scientific Res. Fund	(Ref. Sch.2)	81,959		
- Transfer from Dep. Fund	(Ref. Sch.2)	781,225		
- Transfer from Govt. End. Fund	(Ref. Sch.2)	2,601,471		
- Transfer from Grant for Augmentation	(Ref. Sch.2)	1,044,918		
- Transfer from Capital Grant recd from Govt.	(Ref. Sch.2)	8,043,000		2,504,448
- Transfer from Additional Lib. Fund	(Ref. Sch.2)	4,437,589		
- Imputed Rent		-		290,986

17,537,819

39,910,130

1,907,997

41,818,127

Add: Adjustment Opening Balance

Less: Assets Disposed

565,631

22,372,311

SCHEDULE - 1 (B)

Endowment Funds

a. Ford Foundation

Endowment Fund	6,177,924	6,177,924	6,177,924
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b. Initial Endowment Fund	3,915,000	3,915,000	3,915,000
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c. Scientific Research Fund	727,407	727,407	727,407
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d. Life Membership Fund	120,000	120,000	120,000
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e. Government Endowment Fund	10,000,000	10,000,000	10,000,000
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f. Additional Liability Fund			
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g. Employee Liability Fund			
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- Transfer from Project Fees	1,968,030		
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- Transferred from Income & Exp. A/c	935,845		
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	2,903,875		
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h. Development Fund			
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- Transfer from Project Fees	984,015		
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	3,887,890		
--	-----------	--	--

i. Contingency Fund			
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- Opening Balance	1,109,866	1,109,866	1,109,866
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	4,997,756		
--	-----------	--	--

Add: Adjustment in Capital Assets Fund	1,779,391		
--	-----------	--	--

	6,777,147		
--	-----------	--	--

Less: Transfer to Capital Assets Fund	1,907,997		
---------------------------------------	-----------	--	--

	4,869,150		
--	-----------	--	--

Less: Transfer to Capital Assets Fund towards cost of Assets	4,437,589		
--	-----------	--	--

	431,561		
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g. Birla Bagchi Award Fund	30,000	30,000	30,000
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	30,000		
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Total	21,401,892	22,090,197	
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SCHEDULE - 2

EARMARKED FUNDS

1. a. Depreciation Fund

- Balance at the beginning of the year

Add: Depreciation during the year

	12,419,087	10,214,933
	4,527,274	1,705,141
	16,946,361	11,920,074

Add: Interest earned - during the year

	-	696,575
--	---	---------

	16,946,361	12,616,649
--	------------	------------

Less: Accumulated depreciation on deletion	-	197,562
--	---	---------

Less: Adjustment in Opening Balance	1,779,391	-
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	15,166,970	12,419,087
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1. b. Interest on Depreciation Fund		
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- Balance at the beginning of the year	-	-
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Add: Interest earned during the year	781,225	-
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Less: Transfer to Capital Assets Fund	781,225	-
---------------------------------------	---------	---

	-	-
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2. a. Ford Foundation Fund		
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Interest accumulation		
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- Balance at the beginning of the year	1,829,085	2,053,414
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Add: Interest earned during the year	1,978,585	534,801
--------------------------------------	-----------	---------

	3,807,670	2,588,215
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Less: Expenditure during the year	807,727	768,130
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	2,999,943	1,829,085
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b. Interest on Initial Endowment Fund		
---------------------------------------	--	--

- Balance at the beginning of the year	-	-
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Add: Interest earned during the year	529,674	-
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Less: Transfer to Capital Assets Fund	529,674	-
---------------------------------------	---------	---

	-	-
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c. Interest on Scientific Research Fund		
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- Balance at the beginning of the year	-	-
--	---	---

Add: Interest earned during the year	81,959	-
--------------------------------------	--------	---

Less: Transfer to Capital Assets Fund	81,959	-
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	-	-
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d. Interest on Life Membership Fund		
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- Balance at the beginning of the year	-	-
--	---	---

Add: Interest earned during the year	17,982	-
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Less: Transfer to Capital Assets Fund	17,982	-
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	-	-
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e. Government Grant		
---------------------	--	--

a) Endowment Fund		
-------------------	--	--

Interest accumulation	1,251,345	-
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Add: Interest earned during the year	1,350,126	1,251,345
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	2,601,471	
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Less: Transferred to Capital Assets Fund	2,601,471	
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	-	
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b. Grant for Augmentation		
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Infrastructural Facilities	629,122	
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Add: Interest earned during the year	415,796	629,122
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	1,044,918	1,880,468
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Less: Transferred to Capital Assets Fund	1,044,918	
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f. Birla Bagchi Award Fund		
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Interest accumulation		
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- Balance at the beginning of the year	5,575	4,075
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Add: Interest earned during the year	4,554	4,500
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	10,129	8,575
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Less: Awards distributed during the year	-	3,000
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	10,129	5,575
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Total	18,177,042	16,134,215
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SCHEDULE - 3

LOAN FUNDS		
Loan from Housing Development Finance Corporation	815,852	1,050,076
Less: Repayment of loan for the year	265,844	234,224
Total	550,008	815,852

SCHEDULE - 4
UNUTILISED GRANTS

Source	Balance as on 01.04.98 Unutilised Recoverable [Rs.]	Fresh Receipts Interest [Rs.]	Total [Rs.]	Assets Purchased [Rs.]	Utilisation Other Expenses [Rs.]	Balance as on 31.03.1999 Unutilised Recoverable [Rs.]
A. Grant from Governments	-	-	-	-	-	-
a Central Government	-	-	-	-	-	-
Opening Balance	-	1,500,000	1,500,000	-	1,500,000	1,500,000
- Recurring Grant	638,755	10,200,000	10,838,755	-	9,998,508	9,998,508
- Pay revision difference	8,043,000	-	8,043,000	8,043,000	-	8,043,000
- Grant fee Augmentation	8,679,745	11,700,000	20,379,755	8,043,000	11,498,508	19,541,508
TOTAL (A)	-	-	-	-	-	-
B. Grants from Ford Foundation	-	-	-	-	-	-
a Industrial Policy Research	1,239	-	1,239	-	-	1,239
b Post-Doctoral Research Fellowship	1,065,172	80,080	1,145,252	-	475,090	669,172
c Health Economics and Financing in India	417,714	20,763	438,477	-	289,663	148,790
d Fiscal Policy-London School	265,759	1,704,044	1,972,813	-	175,681	1,797,131
e World Bank-Water Global	869,059	-	869,059	-	-	869,059
f Asian Development Bank	11,752	-	11,752	-	-	11,752
g Indo Canadian	88,360	-	88,360	-	-	88,360
h UNDP	1,511,765	83,870	1,595,634	-	841,977 [*]	753,656
i IRS	106,265	-	106,265	-	-	106,265
j WRI	179,183	-	179,183	-	22,871	156,317
k TOTAL (B)	4,540,283	1,888,765	6,429,049	-	1,805,302	4,623,747
C. Endowment Chairs/Cells	-	-	-	-	-	-
a HDFC Chair	110,975	-	110,975	-	732,105	621,130
b Cell on Data Bank	40,498	-	40,498	-	-	40,498
c State Finance Cell	159,621	-	159,621	-	44,522	155,099
d RBI Chair	-	-	(131,302)	-	405,444	536,745
e I. EEOFC	97,547	800,000	897,547	-	654,138	43,509
f Books (EEOFC)	-	250,000	250,000	-	250,000	-
g TOTAL (C)	448,741	850,000	1,167,439	-	2,065,269	1,157,875
TOTAL (A+B+C)	13,668,778	14,438,765	27,976,243	8,043,000	15,390,019	5,701,099
TOTAL (A+B+C)	13,668,778	14,438,765	27,976,243	8,043,000	15,390,019	5,701,099

* It included a sum of Rs. 7.99.056 refunded in UNDP.

SCHEDULE - 5

FIXED ASSETS AS AT 31ST MARCH 1999

S.No.	Description	As At 1.4.98	Gross Block at Cost	Rate	Total	Up to 31.3.98	Depreciation For the Year Adjustments	Total	As At 31.3.98	As At 31.3.98
1	2	3	4	5	5	7	8	10	11	12
1.	Leasehold Land	638,753	-	-	638,753	-	-	-	638,753	638,753
2.	Building	9,726,754	7,668,700	2.5%	17,395,454	2,644,079	1,75,826	2,819,905	14,575,549	7,082,875
3.	Data Processing Equipment	7,852,113	6,020,356	0	13,872,469	5,284,841	2,059,892	7,344,733	5,655,746	2,717,272
4.	Office Equipment	1,913,496	2,153,636	0	4,067,134	617,612	934,387	1,751,999	2,315,135	1,095,886
5.	Furniture and Fixture	1,341,209	9,502	0	1,350,711	730,763	368,406	1,089,169	261,523	610,426
6.	Hostel, Library, Computer & Seminar Room Furniture	595,856	117,740	0	713,596	426,196	121,072	547,268	186,328	169,660
7.	Air Conditioner and Water Coolers	835,902	652,956	0	1,488,858	498,099	316,362	814,461	671,807	337,803
8.	Electric Installations	696,895	70,161	0	767,056	214,009	315,871	529,879	237,168	482,877
9.	Vehicles	695,338	-	0	695,338	205,741	232,921	438,663	256,675	489,597
10.	Horticulture Equipment	33,998	-	0	33,998	10,338	9,857	28,293	5,705	15,662
11.	Building work in progress	-	856,768	-	856,768	-	-	-	856,768	-
Total		24,280,307	17,537,819		41,818,127	10,639,696	4,527,274	15,166,970	26,651,157	13,640,611

SCHEDULE - 6

INVESTMENT

Nature of the Investment	For the Year 1998-99 [Rs.]	Previous Year 1997-98 [Rs.]
A. Public Sector Banks		
a. Term Deposits	3,108,000	10,420,500
B. Public Sector Financial Institution		
a. Deposits	1,315,000	185,000
b. Bonds/Debentures	12,228,920	11,588,920
C. Public Sector-Companies Deposits	18,499,000	15,613,000
Total	35,150,920	37,807,420

SCHEDULE - 7

	As at 31.3.1999 [Rs.]	As at 31.3.1998 [Rs.]
NET CURRENT ASSETS		
A. CURRENT ASSETS		
1. Interest Accrued	1,938,056	1,368,242
2. Stock of Publications	203,305	263,617
3. Cash and Bank Balances		
- Cash and Postage Imprest	3,119	909
- Current and Savings Account	8,371,304	6,605,402
- Term Deposits	154,000	6,154,000
	8,528,423	12,760,311
4. Recoverables		
- Project Fees Accrued	8,383,637	2,156,414
- Grants, Fees and Others	1,157,875	231,302
	9,541,512	2,387,716
5. Advances and Deposits	319,223	3,385,562
Sub Total (A)	20,530,519	20,165,448
B. CURRENT LIABILITIES		
1. Project Fees received in advance	834,818	1,922,832
2. Creditors and Payables	8,369,136	4,699,787
3. Deposits refundable	626,000	540,000
4. Staff Welfare Fund	21,444	19,203
Sub Total (B)	9,851,398	7,181,822
NET CURRENT ASSETS (A-B)	10,679,121	12,983,626

SCHEDULE - 8 (A)

	As at 31.3.1999 [Rs.]	As at 31.3.1998 [Rs.]
GENERAL SUPPORT GRANTS		
A. Grant from Government of India:		
- Recurring Grant	1,500,000	1,500,000
- Library Grant	-	-
- Pay Revision Difference	10,200,000	7,819,000
- Grant for Augmentation of Infrastructural Facilities	-	11,500,000
	11,700,000	20,819,000
Less: Amount Utilised during the year	11,498,508	12,139,245
Amnt. Unutilised during the year	201,492	8,679,755

SCHEDULE - 8 (B)

Received from State Governments:		
- Govt. of Karnataka	-	150,000
- 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
- Govt. of Maharashtra	100,000	100,000
- Govt. of Mizoram	50,000	-
- Govt. of Uttar Pradesh	100,000	100,000
- Govt. of Punjab	100,000	100,000
- Govt. of Chennai	100,000	-
	860,000	960,000
Total	860,000	960,000

SCHEDULE - 9

SALARIES AND ALLOWANCES

	As at 31.3.99 [Rs.]	As at 31.3.98 [Rs.]
- Salaries and Allowances	13,010,889	7,846,255
- Imputed Grant for Residential Quarters	-	147,384
- Contribution of PF and Other Funds	1,341,847	1,449,249
- Staff Benefits and Welfare	928,559	482,836
- Consultancy Fees	318,689	208,689
- Other Related Expenses	35,028	30,149
Total	15,635,012	10,164,562

SCHEDULE - 10

OPERATIONAL EXPENSES

- Books and Periodicals	982,265	595,965
- Cost of Publications	2,750	44,590
- Course and Programme Expenses	1,164,671	168,049
- Meeting and Seminar	168,522	30,963
- Decretion in Stock of Publication	60,312	-
- Project Expenses	996,649	322,755
Total	3,375,168	1,162,322

SCHEDULE - 11

ADMINISTRATIVE EXPENSES

	As at 31.3.99 [Rs.]	As at 31.3.98 [Rs.]
- Travelling and Conveyance	1,315,932	741,673
- Rent, Rates and Taxes	413,668	145,166
- Water and Electricity	686,800	669,520
- Printing and Stationery	806,049	481,600
- Telephone and Postage	1,145,694	550,034
- Repairs and Maintenance	1,761,384	1,038,982
- Car Expenses	250,487	146,343
- Audit Fees	12,000	12,000
- Miscellaneous Expenses	330,262	316,871
- Interest on Housing Loan to HDFC	110,140	141,760
- Advertising Expenses	135,608	381,064
Total	6,968,024	4,625,013

SCHEDULE - 12

EXPENSES ON PROJECTS

a. Ford Foundation Grant		
- Post Doctoral Research Fellowship	475,090	178,352
- Endowment Fund Interest	-	769,130
- Study on Health Economy	289,683	409,814
	764,773	1,357,296
b. Expenses on Canadian Project		-
c. Expenses on UNDP Project	102,881*	1,087,668
d. London School of Economics- Fiscal Policies	175,681	248,480
e. World Resources Institute	22,871	480
f. Expenses on Water Global Seminar	-	255,776
Total	1,066,206	2,949,700

* In addition Rs. 7,39,096 refunded to UNDP

SCHEDULE - 13

EXPENSES ON ENDOWMENT CHAIRS/CELLS

	As at 31.3.99 [Rs.]	As at 31.3.98 [Rs.]
1. Expenses on Chairs		
– RBI Chair	405,444	350,920
– HDFC Chair	732,105	467,367
	1,137,549	818,287
2. Expenses on Cells		
– State Finance	44,522	355,757
– i. EEOFC (World Bank)	654,138	2,353
– ii. Books (EEOFC)	250,000	–
	948,660	358,110
Total	2,086,209	1,176,397

SCHEDULE - 14

NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY

Accounting Policies

- Accounts are drawn up generally on accrual basis except Corporate Membership Fees and interest on investments of Ford Foundation Grants which are accounted for on cash receipt basis.
- The word "Fund" has been used to denote the intention to keep the balances invested ultimately.
- Amounts written off as depreciation are funded instead of being shown as deduction from gross value of assets.
- Endowment Funds reflect grants received from various organisations for specific purposes. Interest accrued on Endowment Funds is used for specific purposes. Balance of unutilised interest is kept in the respective Earmarked Funds, except interest on Depreciation Fund.
- Investments are stated at cost.
- Interest on specific funds are accrued to specific funds only.
- Depreciation on all assets except Leasehold Land and Building is charged on a straight line basis over a period of three years. Depreciation on Leasehold Land and Building is NIL and 2.5% respectively.
- Provident Fund and Gratuity Liability is being funded by means of contribution to separate Trust.
- Books, Journals and Periodicals are charged off to revenue in the year of purchase.

Notes of Accounts

- Contingent Liabilities
 - 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.
 - Liability in respect of cases of staff members pending in various courts (amount not ascertainable).
- Investments includes Rs. 12,00,000 pledged with Banks.
- Loan taken from HDFC is secured by an equitable mortgage of plot No. 18/2, Special Institutional Area, New Delhi, which is the office premises of NIPFP.
- Interest income on Depreciation Fund investments, which have hitherto being credited to Depreciation Fund, amounting to Rs. 17.79 lac has been taken out of the fund and credited to Additional Liability Fund.
 - Interest received on Endowment Fund, Scientific Research Fund and Life Membership Fund, which were hitherto reflected as income, is shown as accretion to the Earmarked Funds in Schedule 2. Upon the entire amount being utilised to acquire fixed assets, a corresponding amount has been transferred to Capital Assets Funds.
 - Consequent to (a) and (b), the income during the year stands reduced by Rs. 6.30 lac.
- There has been a change in the method of computing depreciation for all assets except Leasehold Land and Building. Depreciation hitherto has been provided at the written down value basis at certain specific rates. Depreciation has now been recomputed with retrospective effect and is proposed to be charged on a straight line basis over a period of three years for all assets. The rate of depreciation for Land and Building is NIL and 2.5% respectively calculated on written down value.
 - Consequent to the change in the method of computation of depreciation, the total depreciation works out to Rs. 70.27 lac which is more by Rs. 16.7 lac and it is proposed to be written off over a period of two years. A sum of Rs. 45.27 lac has been included as depreciation during the year which includes Rs. 37.38 lac for the current year and Rs. 7.89 lac for the earlier year.
- The Capital Assets Fund has been generated largely out of grants received from various organisations and interest accrued thereon for purchase of Capital Assets. Some augmentation of the fund has also been done out of the Institute's own resources. Capital Assets Funds, thus, is equal to cost of Fixed Assets.

7. Additional Liability Fund was created out of the Project Income and Surplus Funds, in light of the Ministry of Finance asking the Institute to meet ten per cent of the additional liability arising on account of pay revision following the recommendations of the Fifth Pay Commission.

In view of the expanding work of the Institute, the need for infrastructure facilities including computer and library is also increasing at a fast pace, but the Grants are not increasing accordingly. Thus, it was considered necessary that the Institute builds up a Development Fund and the Contingency Fund also.

The Additional Liability Fund now consists of the following three components:-

1. Employee's Liability Fund — 10 per cent of project fees.
2. Development Fund — 5 per cent of the project fees.
3. Contingency Fund — Out of the surplus fund.

Project fees is net of above transfers of Rs. 19,68,030/- towards Employee liability Fund and Rs. 9,84,015/- towards Development Fund.

An amount of Rs. 44.38 lac has been used for acquiring Capital Assets out of the Additional Liability Fund. The amounts required for equivalent reflection of cost of assets and depreciation for user to the Capital Assets Fund and Depreciation Fund are also made against this Fund.

8. All grants to the extent utilised were reflected as income hitherto. During the current year, Capital Grants are excluded and this alongwith its utilisation is reflected in Schedule 2.
9. Previous year's figures have been rearranged wherever considered necessary to make them comparable with the current year's figures.

Schedule referred above form integral part of this Statement.

sd/-
Mrs. H. Gautam
Accounts Officer

sd/-
Mr. B.K. Chakravarti
Secretary

sd/-
Dr. Ashok Lahiri
Director

sd/-
Dr. C. Rangarajan
Chairman

As per our report of even date

For THAKUR, VAIDYANATH AIYER & CO.
CHARTERED ACCOUNTANTS

sd/-
(R. BALACHANDER)
Partner

PLACE : NEW DELHI
DATED : 31 JUL 1999

Statement of Receipts and Payment Account for the Financial Year 1998-99

Receipts/Credits	Amounts (Rs.)
Opening Balance	
Cash and Bank Balance	
Canara Bank S.B. A/c	1,477,790
Canara Bank C.A. A/c	10,454
SBI Current Account	87,951
SBI - SBI Chair A/c	29
SBI - NDPC A/c	2,428,478
SBI - NYFC A/c	1,066
SBI - UNDP A/c	1,500,195
Cash in Hand	11
Postage Imprest	898
	5,506,871
Deposits	
Public Sector Undertaking/Banks/ Financial Inst.	43,961,420
Receipts	
Government Grant-in-Aid	
Central Government	11,700,000
State Government	960,000
	12,660,000
Ford Foundation Grant	3,763,482
UNDP	83,870
Project Fees	13,211,248
Corporate Membership Fees	25,000
Course and Programme Fees	1,838,787
Interest	2,775,389
Recoveries	158,115
Sale of Publication	53,604
Miscellaneous Income	96,048
Security Deposits (Receipts)	202,794
Staff Welfare Fund	1,409
Jokhan Maurya Award	4,300
	84,364,337

Payments/Utilisation*	Amounts [Rs.]
- Staff Salary and Other Benefits	15,968,024
- Expenses on Ford Foundation Grant	650,527
- Expenses on UNDP Account	809,096
- Expenses on Course and Programmes	1,225,510
- Library Books and Periodicals	1,464,030
- Rent, Rates and Taxes	143,565
- Water and Electricity	681,855
- Printing and Stationery	805,680
- Repairs and Maintenance	1,678,213
- Postage, Telegramme and Telephone	897,294
- Car Running Expenses	239,004
- Printing and Cost of Publication	2,750
- Miscellaneous Expenses	1,828,280
- Interest on Housing Loan to HDFC	110,140
- Refund of Loan to HDFC	265,844
- Project Travel	1,799,364
- Cost of Assets purchase during the year	12,115,818

CLOSING BALANCE

i) Cash and Bank Balance	
- Canara Bank S.B. A/c	2,010,685
- Canara Bank C.A. A/c	35,285
- SBI Current Account	62,660
- SBI - SBI Chair A/c 1166	28
- SBI - NDFC A/c	3,543,269
- SBI - NYFC A/c	1,066
- SBI - UNDP A/c	786,538
- SBI - UNOPS 23264	1,931,773
ii) Cash in Hand	14
Postage imprest	3,105
	8,374,423

DEPOSITS

- Public Sector Undertaking Banks/ Financial Inst.	35,304,920
	84,364,337

* Excludes Rs. 1,098,531 being expenditure of the previous year accounted for in the previous year but paid during the current year.

sd/-
Mrs. H. Gautam
Accounts Officer

sd/-
Mr. B.K. Chakravarti
Secretary

sd/-
Dr. Ashok Lahiri
Director

For Thakur Vaidyanath Aiyer & Co.
Chartered Accountants

sd/-
R. Balachander
Partner

Place : New Delhi
Dated : 4th Oct. 1999