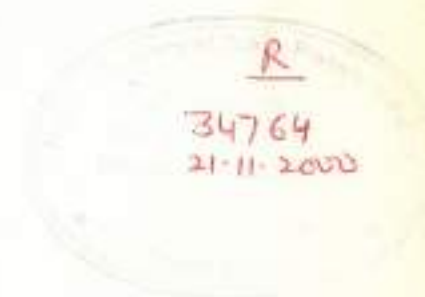




National Institute of Public Finance and Policy

Annual Report
1999-2000



18/2, Satsang Vihar Marg, Special Institutional Area(Near JNU), New Delhi 110 067.

R
354.54062
N21A PD

Contents

1	Overview	5
2	Research Activities	7
	<i>State Finances Unit (SFU)</i>	
	<i>Housing and Urban Economics Unit(HUEU)</i>	
	<i>Reserve Bank of India(RBI) Unit</i>	
	<i>Environmental Policy Cell(EPC)</i>	
	<i>Health Economics Cell(HEC)</i>	
	<i>Other Studies</i>	
3	Ford Foundation – Post Doctoral Research Fellowship Programme in Economics	18
4	Environmental Economics Overseas Fellowship Committee	19
5	Seminars and Workshops	20
6	Training Programmes	21
7	NIPFP Publications 1999–2000	22
8	Library Services	23
9	Computer Unit	25
10	Highlights of Faculty Activities	26
11	NIPFP Staff	37
12	Sponsoring Members	37
13	Finance and Accounts	37
	Annexures	
I	List of Studies 1999–2000	38
II	Members of Governing Body as on 31.3.2000	44
III	Internal Seminar Series	48
IV	List of Priced Publications	50
V	Published Material of NIPFP Faculty	53
VI	List of Staff Members as on 31.3.2000	58
VII	List of Sponsoring, Corporate, Permanent and Ordinary Members as on 31.3.2000	62
VIII	Finance & Accounts	63

Overview

The National Institute of Public Finance and Policy (NIPFP), as a centre for advanced applied research in the area of public finance and policy, continued to strengthen its mandated activities during 1999-2000. The Institute, set up twenty three years back, co-ordinated research, policy advice, seminars, conferences, besides training for in-service civil servants, in its areas of competence.

The introduction of uniform floor rates of sales tax for different categories of goods and the cessation of fresh sales-tax related incentives at the state level from the year 2000, following a unanimous decision of the Committee of Chief Ministers and Finance Ministers at its meeting on November 16, 1999, was a source of great satisfaction to the NIPFP. The Institute has been emphasising the need for rationalising domestic trade taxes and ending the tax war among states for a number of years, particularly since 1994 when it submitted its report on **Domestic Trade Taxes**. The unanimous decision of the Committee of Chief Ministers and Finance Ministers on November 16, 1999, to substitute sales tax by a value added tax was a confirmation of the feasibility of implementing a major recommendation of the Institute in the reform of domestic trade taxes. It has boosted the morale of the researchers and staff at the NIPFP.

Two of the three members of an expert group set up by the Ministry of Petroleum and Natural Gas to examine the **State Surcharges on Petroleum Products** were from the Institute. The NIPFP also provided secretariat and research support to the expert group. The recommendations contained in the interim report submitted by the group during the year were also accepted and implemented by the government. The NIPFP served as a nodal agency for a group of officials set up by the Ministry of Finance to draft the *Indian Stamp Duty Act*.

For the year 1999-2000, the Institute has to its credit sixteen study reports, while another twenty-four are underway. In addition, a working paper, a discussion paper, and a reprint were also brought out (annexure I). Four **State Fiscal Studies** pertaining to **Assam, Punjab, Kerala, and Delhi** undertaken in co-operation with the World Bank were published.

The core activity of the NIPFP focuses on research relating to revenue enhancement, control of public expenditure and prudent management of national finance and resources both at the centre and the states. In continuation of the fiscal studies on states, 1999-2000, the Institute took up research on **Madhya Pradesh, Maharashtra, Orissa, Rajasthan and Sikkim**. These studies are expected to serve as inputs to the Eleventh Finance Commission (EFC), whose principal agenda is to address the rapidly deteriorating state of finances of state governments, and state level reforms. The EFC has also commissioned to the Institute, **Revenue Projection of Central; State and Local Taxes; and Options for Closing the Revenue Gap of Municipalities: 2000-01 to 2004-05**. A study on **State and Local Fiscal Relations** is being sponsored by the Canadian International Development Agency (CIDA).

External competitiveness, getting rid of distortions in the fiscal area of the trade regime and

having a level playing field is an important dimension of research at NIPFP. Studies were undertaken in this area to assess **Discriminatory Tax Treatment of Domestic vis-a-vis Foreign Products**. Given the importance of public sector enterprises in the fiscal system in the country, and the ongoing discussions on privatisation, the Institute continued its study, **Disinvestment and Privatisation in India: Problems, Processes and Prospects**. Studies pertaining to health sector financing were completed under the aegis of the Ford Foundation. The Institute's commitment to public concern for environmental pollution is reflected in the proactive role of the Environmental Policy Cell in its completed and ongoing studies. Possible alternatives to the command and control system for controlling vehicular air pollution was brought out in the study, **Economic Policy Instruments for Controlling Vehicular Pollution**. The Institute continued to administer the World Bank funded Environment Economics Overseas Fellowship Programme through a fellowship committee.

A notable training programme of the year was the one conducted for Sri Lankan delegates on **Expenditure of Subnational Governments: Assessment, Management and Control** organised as part of the UNDP project, **Capacity Building of Fiscal Devolution in Sri Lanka**. A two-day workshop on **Taxation in Sri Lanka** was held on August 9-10, 1999 at Royal Oceanic Beach Hotel, Negombo. Thirteen Sri Lankan officials and consultants presented papers on various aspects of national and provincial taxes. The presentations were followed by lively discussions led by the NIPFP consultants. The workshop, attended by over 50 participants—including chief secretaries and their deputies, revenue commissioners and commissioners of local government from seven provinces, Finance Commission officials, officials from the Ministry of Provincial Council, Attorney General's Department, Fiscal Policy Department, Inland Revenue Department, Excise Department, Customs Department, Department of Motor Traffic, and National Budget—provided a valuable forum for exchange of views among local officials and the identification of several lacunae in the Sri Lankan tax system. After the workshop on taxation, a one-day workshop on **Fiscal Devolution in Sri Lanka** was held on August 12, 1999 at Berjaya Mount Royal Beach Hotel, Mt. Lavinia. The NIPFP consultants made presentations on five topics, namely, "Fiscal Devolution in Sri Lanka – An Assessment of the Experience", "Fiscal Devolution in Sri Lanka – Directions for Change", "Fiscal Devolution – Institutional Aspects, Some Issues", "Tax Assignment Among Different Tiers of the Government", and "Tax Revenue Projections: Alternative Methodologies". Three of the sessions were chaired by C. Sriyakumaran, Buddhadasa Hewavitarne, and Godfrey Gunatilleke.

The pleasant environs of the Institute's campus are being given a greener look. The library is being revamped in accordance with its responsibilities as a repository of fiscal books, studies, and documents. The computer services are being substantially augmented, and staff skills upgraded for a computer network enabled workplace.

C. Rangarajan, Chairman NIPFP was appointed Chairman of the National Statistical Commission. A. Premchand, retired Assistant Director, IMF, and an expert on public expenditure,

visited the Institute on several occasions during the year. He was associated with the **Study of Sikkim – 2015: A Vision; and Study of Maharashtra's Finances**. The NIPFP is publishing his book, *Control of Public Money: Functioning of the Fiscal Machinery in Developing Countries* in collaboration with the Oxford University Press. Ved P. Gandhi, formerly from IMF, and an acknowledged expert in the field of Tax Policy and Analysis and Planning visited NIPFP twice to be associated with a UNDP sponsored project. Rama Murali of the Indian Audit Service is currently visiting the Institute as a senior consultant to study **Disinvestment and Privatisation in the Public Sector in India**. A list of Governing Body members as on March 31, 2000 is at annexure II.

2 Research Activities

The Institute's academic interests are reflected in the numerous completed projects, those nearing completion, and in its on-going work. The NIPFP vindicated the programme approach to research management conducted within some of its special research cells/units, besides the project by project orientation. Outlines of the themes of important studies are given below:

STATE FINANCES UNIT (SFU)

A number of analytical studies of relevance were undertaken by the Unit during 1999-2000. Tapas K. Sen headed the State Finances Unit.

• Stamp Duty Administration in Orissa (July 1998) Tapas K. Sen

This study, sponsored by the Government of Orissa, is an exhaustive scrutiny of the present system that includes rate structure, valuation, evasion of duty, administrative structure, collection of tax, administrative organisation, interface with other departments and legal considerations. Experience of other states and inter-state comparisons are used where required. The report recommends substantial reduction in rates of stamp duty for efficiency reasons as well as to contain tax evasion, and a series of administrative measures to modernise an essentially unchanged system of several decades in line with changed circumstances. It also recommends substantial changes in the relevant Act to control widespread evasion through under-valuation and avoidance of tax through legal loopholes.

• Revenue Projection of Central, State and Local Taxes (March 2000) J. V. M. Sarma, Tapas K. Sen, O.P. Mathur, Diwan Chand, and Sandeep Thakur

The Eleventh Finance Commission sponsored this project to estimate tax revenues of the

three levels of government for the country as a whole, and individual states in a disaggregated manner, i.e., by individual taxes for the years 2000-01 to 2004-05. The methodology used, as required by the sponsor, is that of projection on the basis of assumed growth rates of (relevant parts of) GDP/SDP and estimated buoyancies for the period 1985-86 to 1997-98, for the projection of central and state taxes. At the state level, buoyancy-based estimates are not feasible in all cases, and a variety of estimation methods, essentially based on past growth of tax revenue are used. Owing to limited availability of data, local taxes are assumed to grow in line with the growth in SDP for different states.

• **State Surcharges on Petroleum Products** (nearing completion) *Ashok Lahiri, Tapas K. Sen, and Abhay Tripathi*

The Ministry of Petroleum set up a committee of three members (the authors of this report) in September, 1999 to examine the state surcharge scheme applied to controlled petroleum products. The committee was required to suggest necessary changes in the extant system in view of the ongoing decontrol of the petroleum sector in general, and specifically the emergence of large standalone refineries. The state surcharge scheme to prevent tax exportation by states and union territories is part of the administered pricing mechanism employed by the oil coordination committee. The interim report examines the history and details of the scheme, assesses the magnitude of the problem and provides some suggestions regarding needed modifications. The final report is likely to be submitted shortly.

• **Sales Tax in Orissa**, (on-going) *Tapas K. Sen, Pratap K. Jena, and Ashok Lahiri*

The terms of reference for this study, sponsored by the Government of Orissa, include a wide ranging examination of the sales tax structure and administration in the state, with special reference to tax incentives for industrialisation. The interim report covers the area of immediate rate rationalisation and some aspects of the administrative setup. This study had taken off prior to the states agreement to establish uniform floor rates, abolish new tax incentives for industrialisation and introduce VAT all over the country. Hence, the coverage, emphasis and approach of this study had to undergo mid-course correction. The interim report was submitted in March, 2000.

• **Fiscal Reform Programme for Rajasthan** (on-going) *Tapas K. Sen, P.N. Bhattacharyya, and V. Selvaraju*

Sponsored by the Government of Rajasthan, the study aims to examine selected sectors of the Rajasthan economy with special reference to the government finances of the state. Selected sectors include education, health, water supply, irrigation, power, transport, and local government. The role of the government itself, in terms of direct participation as well as policymaking in these areas, is being carefully scrutinised to chalk out a reform programme. The reform programme is being drawn up with the objective of having a sustainable and fiscal stance that can also maximise the contribution to the growth and development of the state.

• **Public Finance Information System** (on-going) *Tapas K. Sen, Diwan Chand, Geeta Bhatnagar, and Navin Kumar Singh*

This is a data bank on state government finances in India. The data bank undergoes constant updation in various modules by the involved team, and is maintained in a spreadsheet format as well. Accounts figures for the year 1997-98, now available from the state government budgets submitted to respective legislatures during the financial year 1999-2000, are being updated.

HOUSING AND URBAN ECONOMICS UNIT(HUEU)

The Housing and Urban Economics Unit, with Om Prakash Mathur in the chair endowed by the Housing Development Finance Corporation, continued to contribute research input to policymakers to aid design of proper policy.

• **The Indian Stamp Act, 1899** (May 1999) *Om Prakash Mathur*

A group of officials chaired by the Secretary, Department of Revenue, Ministry of Finance, and based at 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 have to 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; and
- (b) treatment of financial instruments.

• **Options for Closing the Revenue Gap of Municipalities 2000-01 to 2004-05** (February 2000) *Om Prakash Mathur and Pratishtha Sengupta*

The study suggests measures for the augmentation of the Consolidated Fund of the State to supplement the resources of municipalities. After assessing the needs of municipalities, the study estimated the revenue resources that can be tapped by the municipalities under the tax provisions delegated to them. Revenue gap, or the difference between the need and availability of own resources, would indicate the requirement resources to be transferred. The study undertaken for the Eleventh Finance Commission has assessed the revenue gap of municipalities and projected their financial requirement for the time period 2000-01 to 2004-05.

• **State Local Fiscal Relations** (on-going) *Om Prakash Mathur and Pratishtha Sengupta*

With reference to issues like state-local transfer, municipal debt, privatisations, the study would examine the existing situation of state-local relations in the country. At the same time, it proposes to evaluate relatively unexplored avenues of this hierarchical relation and come up with policy commitments to bring in decentralisation and better management of local finances.

- **India: Local Finance Data System**, which is being designed to suggest a system of classification of municipal budgets, is expected to be formally submitted to the Ministry of Finance in May 2000.
- **Guidelines for the Second Finance Commission of States** are under preparation. These will be discussed with the central government, state governments, and the USAID towards the end of May 2000.
- **Institutions for Fiscal Devolution** is a draft chapter prepared for **Capacity Building for Fiscal Devolution in Sri Lanka**. It was also presented at a seminar organised by the Sri Lanka Finance Commission. This chapter is expected to be finalised shortly.

RESERVE BANK OF INDIA (RBI) UNIT

The Reserve Bank of India Fiscal Policy Unit under the leadership of Indira Rajaraman continued to provide through its studies analytical insight on important fiscal and macro-economic issues.

- **Fiscal Industrial Incentives of the Government of Madhya Pradesh: Costs and Benefits (November 1999)** *Indira Rajaraman, Hiranya Mukhopadhyay, and Namita Bhatia.*

Madhya Pradesh, like other states, has sought to promote industrial development by offering three types of fiscal incentives: capital investment subsidies; interest subsidies; and exemption/deferment from sales tax. These concessions have imposed heavy costs on the state exchequer; the revenues foregone from such tax concessions alone could fund at least a dozen new growth centres each year (at Rs 35 crore per growth centre). In a scenario where different types of industrial incentives are superimposed on each other, the overall impact on investment is additive. The disentangling of the incremental impact of each has been attempted in two ways, using a database on investment in large and medium industry in the state. Both econometric exercises show that tax concessions failed to play an investment promoting role. The landmark multilateral agreement reached between chief ministers of states on 16 November, 1999, to remove sales tax concessions with effect from 1 January, 2000, is thus directly in line with the findings of this study. A further date for introduction of VAT has been set at 1 April, 2001; a full-fledged VAT operated on the tax credit method is, with very few exceptions, incompatible with giving new units a differential tax advantage. The econometric results for the capital subsidy are more ambiguous. The slowing of the growth rate of real investment after 1988 cannot be ascribed solely to the replacement that year of the central government subsidy, which was available to large and medium industrial units, by the state subsidy scheme which (with some minor exceptions) was not available to large and medium units. There was also a sharp concurrent decline in power availability. Given the overwhelming importance of infrastructure in attracting industry into a state, the first best option is the redirection of fiscal resources from capital subsidies towards infrastructure provision (the November agreement between states does not include capital subsidies in its ambit). If this

first-best alternative is not acceptable, it should be possible to redefine the base to include fixed investment in infrastructure alone. Alternatively, or in addition, the capital subsidy could be confined to a set of labour-intensive thrust industries.

- **Taxation of Agricultural Income (on-going)** *Indira Rajaraman*

This study was commissioned by Central Board of Direct Tax (CBDT) to investigate agricultural taxation as it is presently practised in India, and the possibility of transference of powers of taxing agricultural income to the central government. Exclusive rights of taxation of agricultural income have been assigned since 1886 to state (the then provincial) governments. The Constitution of India preserves this separation of taxation powers. It is the absence of cross-sectoral parity in taxation, and the scope for evasion this offers, that drives the renewed call for central taxation of agricultural income. The (explicit) agricultural taxation coefficient has a value as low as .02, obtained from aggregating state-level land revenue on agricultural land, and agricultural income tax collections. The long-term goal should be to raise this coefficient towards one, although this will not necessarily be more feasibly achieved by transferring powers of agricultural taxation to the centre.

The interim report covers all items in the terms of reference except in respect of practices in SAARC countries. A fact-finding mission for this purpose to the Fiscal Affairs Department of the IMF was conducted during the period December 11-21, 1999.

- **Tax Policy and Administration in India: Selected Institutional and Economic Aspects (March 2000)** *Ved. P. Gandhi, Arvind Modi, and Hiranya Mukhopadhyay*

This study was commissioned by the Central Board of Direct Taxes (CBDT). The main objective of the study was to investigate critically the efficacy of tax incentives provided in the *Income tax Act* for exports and the promotion of industries in backward areas. The study also examined effectiveness of the provision requiring audited accounts of small and mid-sized unincorporated business and professionals (section 44AB of the *Income tax Act*) and working of the Tax Planning and Legislation division of the CBDT.

ENVIRONMENTAL POLICY CELL

Environmental pollution and failure of command and control policies to curb polluting activities is an area of concern at the Environmental Policy Cell, headed by Rita Pandey.

- **Economic Policy Instruments For Controlling Vehicular Air Pollution (March 2000)** *Rita Pandey and Geetesh Bhardwaj.*

As trends in air pollution levels in most Indian cities reflect deterioration in air quality, there is a growing emphasis on finding and implementing methods and instruments that are more efficient in controlling air pollution than those which have already been tested and tried. The focus is on more innovative approaches, such as economic instruments based on 'pollution pays principle', and command and control measures. This study assesses the feasibility of

economic measures to prevent and control vehicular air pollution in Delhi. It estimates air pollution emissions of automobiles and suggests cost-effective measures to reduce vehicular emissions. The persistent and rigorous implementation of pollution control laws is also emphasised.

The Cell has also undertaken to complete Estimating Industrial Pollution Load in India; and Positive and Perverse Subsidies and the Environment: with Special Reference to Agriculture in India.

HEALTH ECONOMICS CELL

The Unit brought out five studies of which one is devoted to a database on health expenditure of four states of India. Financial support for the work came from the Ford Foundation.

• Health and Environment (June 1999) A.L. Nagar

The objective of this study is to analyse the effects of environment on the health of a community. It is postulated that the health status of a community is a 'conceptual variable' which cannot be measured directly but is indirectly determined by the civic and socio-economic environment of the people and the physico-natural environment of the region.

Part A of this study is focused on the health situation in the union territory/National Capital Territory (UT/NCT) of Delhi. Chapter II discusses briefly the demographic features of Delhi and Chapter III the mortality data as obtained from the annual reports on registration of births and deaths (1984 to 1994) published by the Chief Registrar (births and deaths), Government of UT/NCT of Delhi; and morbidity and mortality data for the years 1993, 1994, and 1995 from the various hospitals in Delhi under the Director General of Health Services, Delhi.

A sample survey of 291 households from slum clusters and non-slum areas of various localities in Delhi was undertaken. Chapter IV provides the socio-economic profile of the population of Delhi, sample design and the questionnaire, and Chapter V provides the socio-economic profile of sample households. Finally, Chapter VI provides the cluster-wise and age-wise distribution of diseases in slum and non-slum areas of the NT/NCT of Delhi in accordance with the sample survey.

• Database On Health Expenditure: Four Selected States, Volume I & II (June 1999) NIPFP study team

This volume is a comprehensive database on the health sector with respect to the outlays of four major states of India, namely, Gujarat, Maharashtra, Orissa, and Rajasthan for the period 1985-86 to 1994-95. The significance of this ten year period is that it can be used to assess the impact of the fiscal adjustment programme (beginning 1990-91) on this redistributive expenditure by analysing government financing of the health sector during the pre-and-post structural adjustment period.

• Health Care Financing Practices in Selected Countries (June 1999) NIPFP study team

Different models of health care systems including financing organisations and delivery being

practised in some developed and developing countries are presented here. An attempt is made here to review the practices in selected developed and developing countries and to draw lessons, if any, for India.

• Health Care Systems in India (June 1999) NIPFP study team

With a high percentage of population either unemployed or employed in the unorganised sectors, the health care systems in India are bound to be complex. The attempt here is to present some of the important health care systems prevailing in India. First the organisational set-up for health care is presented in brief. Then, health care financing and health care provision by sectors and by sources are described. The system as a whole is examined and areas for immediate attention identified.

• Health Care Status in India (June 1999) NIPFP study team

Health and human development form integral components of the overall socio-economic development of a nation. Measured in terms of the two most widely used indicators of health status, namely, (i) life expectancy at birth, and (ii) infant mortality rate, the health status in India has improved considerably over time. But, achievement has been limited compared to some other developing countries. For example, during 1960 and 1993, life expectancy at birth in India increased by only 38 percent against 46 percent in China, 53 percent in Indonesia and 34 percent in all developing countries. Infant mortality rate decreased by 51 percent in India as against 71 percent in China, 76 percent in Sri Lanka, 65 percent in Thailand, 82 percent in Malaysia (the lowest in developing countries being 13 percent). Health status in India is not only below that of many developing countries taken individually, but also below that of all developing countries taken together.

Recording an average per capita annual income of about Rs 6,200 (US \$ 350), India is placed in the middle range of low-income countries. For a country with this level of income, India spends a relatively significant amount on health care, that is, 6 percent of the GDP, but the returns in terms of health improvement have been poor. Further, as compared to other countries barring a few developed nations, the total health expenditure in India is fairly high at \$ 17,750 million in 1990. Other countries, such as China, Indonesia, Sri Lanka, and Malaysia which spend a smaller amount on health (not only in absolute terms but also in per capita terms) are found to have better health status in terms of infant mortality rates and life expectancy.

OTHER STUDIES

• Primer on Value Added Tax (on-going) Raja Chelliah, Pawan K. Aggarwal, Mahesh C. Purohit, and R. Kavita Rao.

As part of the effort to aid understanding of the form and functioning of value added tax, (VAT) a primer on the subject is being prepared. The focus is on issues relating to the nature and administration of the tax.

• **Report on the Workshop on Value Added Tax (December 1999)** *R. Kavita Rao and Pawan K. Aggarwal*

There is an urgent need to evolve a trade tax system that promotes efficiency in production and consumption that allows the development of an Indian common market and does not impair the competitiveness of the domestic producers vis-a-vis their foreign counterparts. In this context, the Institute has been advocating replacement of the existing system of sales tax by a value added tax. A workshop on VAT was organised during July 26-28, 1999, with the support of DFID India and World Bank, to provide a forum for debate on the feasible design of VAT for the states of India. It was well attended, with participation from a large segment of state officials, officials from the Ministry of Finance and the Central Board of Excise and Customs (CBEC), representatives of trade and industry, and VAT experts from India and abroad. This report presents a brief summary of the deliberations at the workshop.

• **Reform of Inter-State Sales Tax in India (nearing completion)**

The objective of the project, sponsored by the Department of Revenue, Ministry of Finance, Government of India, is to recommend a rational design for central sales tax taking into consideration the issues of a common market, efficiency and inter-jurisdictional equity. The study also includes issues related to declared goods, consignment tax, and taxation of services.

• **Procedures Manual for VAT Governance (nearing completion)** *Mahesh C. Purohit and R.J. Manay*

This project is aimed at elucidating all the procedures necessary for the introduction of VAT by the Indian States. The PMVG would provide guidelines to the states in successfully implementing VAT. It would give a new insight into the requisite procedures and avoid patchwork approach in replacing the existing sales tax procedures. It also presents transitional measures for the introduction of VAT.

• **Electronic Commerce and Tax Administration (nearing completion)** *Mahesh C. Purohit*

It aims at analysing the economics and mechanism of e-commerce in relation to the management of taxes both at the central and state levels. In light of its fast growth, the study analyses the evolution of e-commerce through the world, prescribes regulations and necessary precautions for tax governance, focusing on convenience, client use, and cross-jurisdictional transactions.

• **Central Budgetary Subsidies In India (November 1999)** *D.K. Srivastava and H.K. Amar Nath*

This study is an update of the earlier study on **Government Subsidies in India**, completed in 1997, and subsequently published.

The unduly large volume of subsidies (at more than 14 percent of GDP), and the subsidy

regime in India was also critically evaluated in a *Discussion Paper (DP)* on "Government Subsidies in India" (May, 1997), as being non-transparent, inefficiently administered, poorly targeted, and regressive, leading to misallocation and waste of resources, while keeping government budgets in persistent imbalance. While the states accounted for the bulk of these subsidies (more than 2/3rds), the remaining subsidies emanated from the central budget.

The main findings of the paper suggest that subsidies explicit and implicit from the central budget are estimated at Rs. 43,000 crore in 1995-96, and Rs. 48,000 crore in 1996-97. This amounts to about 40 percent of the centre's net revenue receipts. The recovery rates are as low as 8.36 percent of costs for social services and 16.58 percent for economic services. Of the total subsidies, nearly 60 percent are in the non-merit category deserving little subsidisation. The category where a high degree of subsidisation may be considered desirable account for only 4 to 6 percent of the total subsidies. Using a sensitivity analysis, making alternative assumptions about the average degree of subsidisation for different categories, it would appear that excess subsidisation is about 70 percent of the total subsidies. Subsidies can thus be cut down to nearly 30 percent of their present level while maintaining a desirable degree of subsidisation in the relevant categories.

• **Taxation of Mineral Sector in India (nearing completion)** *J.V.M. Sarma, Gautam Naresh, Jeeta Mohanty, Jacqueline Roberts, and Mitali Dasgupta*

The report presents a profile of the major taxes and non-taxes on the mineral sector levied by all the three levels of government — central, state, and local. While most of these levies are expected to reflect the overall policy regarding the exploitation of mineral resources, in practice only the non-tax levies, such as royalties, seem to have been used for regulating mineral sector activity. Furthermore, the burden of these levies on prices of selected minerals is assessed and its variation across states examined. For this purpose, two measures of tax impact on mineral prices, namely, the domestic tax burden and the effective rate of protection (ERP) have been adopted. The burden of domestic taxes on mineral prices is measured as a ratio of tax-inclusive prices and tax-exclusive prices for thirteen specific minerals across the nine states that dominate their production, and for 16 companies out of which four are mineral extracting companies. The estimates have been worked out in two sets: (a) with statutory tax rates; and (b) with effective tax rates.

• **Discriminatory Tax Treatment of Domestic vis-a-vis Foreign Products: An Assessment (June 1999)** *Pawan K. Aggarwal and V. Selvaraju*

The study focused on discriminatory tax treatment of domestic vis-a-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. Analysing the central, state, and local taxes, the study reveals that even though most products are subject to high net protection, 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. A rationalisation of the tax system to ensure level playing field between imports and domestic products, through immediate removal of all exemptions, end use concessions, and input taxation, along with phased reduction in high duty rates and their number is recommended. In fact, a minimum customs duty should apply to all imports including imports of products currently not produced in the country, for giving the right signal to domestic producers to venture into production of such products. The level of minimum duty can also be lowered in line with reduction in high duty rates.

• **A Database on Customs Tariff and Tariff Bindings for India: 1999-2000** (June 1999) *Pawan K. Aggarwal and V. Selvaraju*

In the context of the ongoing external liberalisation as well as the multilateral trade negotiations under the auspices of the WTO, an urgent need to have a comprehensive database on customs tariff and tariff bindings was recognised. This would facilitate in serving objectives, such as to review customs tariff vis-a-vis our international commitments on tariff bindings, compare customs tariff with that in competing countries, compute tariff equivalent of non-tariff barriers, and estimate revenue effects of alternative revenue proposals. Further, a user-friendly interactive programme can add value to such a database. The current database makes a small, but useful beginning in this direction. It focuses on customs tariff and tariff bindings for India for the year 1999-2000.

• **Capacity Building for Fiscal Devolution in Sri Lanka: Some Tax Issues** (nearing completion) *Pawan K. Aggarwal*

The study gives a brief description of the tax structure of Sri Lanka and identifies major issues relating to provincial taxes in the context of fiscal devolution in Sri Lanka. Broad directions for reform in the system of fiscal devolution in Sri Lanka are indicated. Also, proposals that deserve consideration in the context of rationalisation of tax design are discussed. This is followed by desirable characteristics of the inter-governmental transfer mechanism, if it is to encourage exploitation of full revenue potential by different tiers of the government.

• **A Database on Customs Tariff and Tariff Bindings for SAARC Countries** (nearing completion) *Pawan K. Aggarwal, V. Selvaraju, Paulomi Bhattacharyya, and James Daniel Paul*

This database is an extension of the database on customs tariff and tariff bindings for India 1999-2000. It extends the database on India to cover customs tariff for the year 1998-99 and sales tax rates as on April 1, 1998, for 20 selected states of India. Also, an attempt is made to cover customs tariff and tariff bindings for other SAARC countries (Bangladesh, Nepal, Sri Lanka and Pakistan). Bhutan and Maldives are excluded as they are not members of WTO. The database is being presented in microsoft excel format amenable to statistical computations.

• **Study of Tariffs in Indian Hotels: An Interim Report** (July 1999), *Ashok K. Lahiri, Hiranya Mukhopadhyay, Dipankar Purkayastha, and R. Kavita Rao*

The primary objective of this 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 rooms: a rupee price for the Indian clients and a dollar price for the foreign clients. 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.

• **Sikkim: A Vision Document** (on-going) *Ashok K. Lahiri, Saumen Chattopadhyay and Anuradha Bhasin, in association with A. Premchand*

This report, sponsored by Government of Sikkim, outlines a strategy that will set the state on a path of eco-friendly, sustainable development, aimed at expanding income and employment opportunities. It analyses the reasons for the slow pace of development in the past, despite substantial financial support from the central government and a low population density. After spelling out goals for the economy, it elaborates the underlying fiscal policy framework and sectoral strategy necessary for realising these goals. A vastly expanded role for the private sector and community is envisaged, and the introduction of technology and modern scientific methods to help the state overcome its natural handicaps of inaccessibility is emphasised.

• **Study of Maharashtra's Finances** (on-going) *Ashok K. Lahiri, R. Kavita Rao, and Mukesh Kumar Anand*

The study analyses the trends in Maharashtra's economy and its finances from the beginning of the decade of the eighties and elucidates critical issues affecting the health of the economy and its finances. The study provides estimates of the projected fiscal situation and goes on to propose certain reforms to ameliorate the situation. Special attention has been paid to highlight the issues afflicting the state public sector, the working of, and restructuring of the expenditures of the government departments, especially those relating to social sectors like education and health. The estimates of the financial burden of contingent liabilities, arising out of measures in attracting capital and investment in infrastructure sectors as well as its intervention in commodity markets (cotton, onion, etc.), provide an early warning to the government to rein-in their future committed expenses. Suggestions are made to account for these liabilities as well as those arising out of the explicit and/or implicit subsidies (including those in the power and transportation sectors) in the budget to improve transparency and accountability. Measures to reduce the extent of distortions in the tax system, and phased implementation of a value added tax system form an integral part of the report.

• **Database on Public Finance** (on-going) *P.N. Bhattacharyya*

The work of building an integrated and user friendly database on public finance is making headway. Data relating to the centre's finances for the period 1970-71 to 1997-98 have been

compiled from the Union Finance Accounts for the respective years. However, data in respect of state finances have so far been compiled from 1982-83 onwards.

3

Ford Foundation

Post-Doctoral Research Fellowship Programme in Economics

The NIPFP-Ford Foundation post-doctoral fellowship programme was set up in 1989 with a view to creating a human resource base of economic scholars, especially in the fields of international economics, macroeconomics and public economics. These areas have hitherto been placed on the back burner leading to professional stagnation and consequential brain drain. The fellowship programme was designed to provide the fellows with first hand yearlong exposure to the organisation of effective research initiatives, teaching methods, latest theoretical and policy developments in the fields of interest to individual scholars.

The programme, was initially set up for three annual rounds of selection of fellows. In December 1991, its success led to an extension of the project for three more rounds of selection. An exhaustive evaluation of the programme by I.G. Patel entitled, "An Evaluation of the Post-Doctoral Research Fellowship Programme – September 1994" led to a further extension for another three rounds in July 1995. The programme was subsequently extended first upto December 31, 1999, and thereafter upto June 2000 to organise a third seminar on November 6-7, 1998, to take follow-up action and to bring out a conference volume. The objective of the programme was amplified to include environmental economics and economics of finance, as well.

The method of in-country selection of Indian Ph.D scholars in economics included advertising the programme in leading newspapers on an all-India basis and individually notifying important universities and research institutions about the selection. The selection panel consisted of five (raised to six for the last two rounds) eminent professors as non-official members, besides the Director NIPFP and Programme Officer/ Representative Ford Foundation as two *ex-officio* members. The Institute of International Education (IIE) in New York was responsible for placement of the fellows selected for the programme at universities abroad, monitoring and counseling them during their fellowship period, which included receipt of quarterly reports and handling of financial activities.

The success of the programme is judged by the fact that all the thirty-eight scholars

selected during the nine rounds undertaken for the fellowship award, returned to their respective sponsoring institutions after completion of their respective one-year fellowships at distinguished universities in the U.S. and Britain. Furthermore upon their return, a grant upto a maximum of Rs. 10,000 was made available to carry forward the research that they had carried out during the tenure of their fellowship. The grant was disbursed to the fellows on the recommendation of a designated member of the selection panel of the follow-up research proposal with a budget estimate of up to Rs. 10,000 under approved heads of expenses. This facility was availed of by twenty-six of the thirty-eight fellows. The finally accepted papers by the relevant members of the selection panel were circulated to other members of the panel for their perusal.

During the currency of the fellowship programme, three seminars were organised. The first on May 10, 1993 was held to assess the weaknesses and strengths of the programme. The second took place during November 6-7, 1995 to gauge the impact created by the programme in the fields of research and teaching. The last took place during November 6-7, 1998 to reflect on 'what have we achieved by the programme'.

In pursuance of the decision taken at the seminar, the editorial committee comprising Ashok Guha, Centre for Studies in Diplomacy, International Law, and Economics, Jawaharlal Nehru University; K.L. Krishna, Delhi School of Economics; and Ashok Lahiri, Director, NIPFP have finally identified eight papers for inclusion in a conference volume entitled: *Trade & Industry: Essays by NIPFP Ford Foundation Fellows*. Besides these papers, the volume will also have an introductory chapter by the editors.

4

Environmental Economics Overseas Fellowship Committee

Under the aegis of the World Bank funded Environmental Management Capacity Building in Environmental Economics Programme, a sub-committee called the Environmental Economics Overseas Fellowship Committee (EEOFC), has been constituted. The committee is chaired by Raja Chelliah. The Environmental Policy Cell at the NIPFP is the secretariat of EEOFC. The EEOFC is mandated to award post-doctoral research fellowships in the field of environmental economics. Selection of candidates is done on an all-India basis.

For the year 1999-2000, five candidates were selected. Four of these are pursuing their post-doctoral fellowship in USA, while one candidate is pursuing his fellowship in UK.

In addition to the overseas post-doctoral fellowships, the EEOFC manages two other programmes, namely, travel grants for attending international conferences and seminars, and grants for academic research related short-term visits to overseas institutions/universities. Selections are made on the basis of merit.

5

Seminars and Workshops

The NIPFP has been playing a vital role in the switchover by the states to value added tax (VAT). During July 26-28, the Institute, jointly with DFID India and the World Bank organised a workshop on VAT to provide a forum for debate on the feasible design of VAT for the states of India. The workshop was well attended with participants from the Ministry of Finance and Central Board of Excise and Customs, state officials, representatives of trade and industry, and VAT experts from India and abroad.

The Institute is conducting a project entitled, **Taxation of Mineral Sector in India** sponsored by the Ministry of Steel and Mines, Government of India. The research findings of its report, it is hoped, will serve as useful inputs to the Multi-Disciplinary Committee on Tax Regime for the Mineral Sector. A one-day workshop with the same title was organised at the Institute on October 26, 1999 to discuss the technical approach adopted in its interim report. The workshop was attended by officials from the Ministry of Mines, CBDT, CBEC, members of the committee and academicians from NIPFP.

The NIPFP organised a two-day workshop on **Taxation in Sri Lanka**. It was held on August 9-10, 1999 at Negombo, Sri Lanka. Thirteen Sri Lankan officials and consultants presented papers on various aspects of national and provincial taxes. The presentations were followed by discussions led by the NIPFP consultants. The workshop, attended by over 50 participants — including chief secretaries and their deputies, revenue commissioners and commissioners of local government from seven provinces, Finance Commission officials, officials from Ministry of Provincial Council, Attorney General's Department, Fiscal Policy Department, Inland Revenue Department, Excise Department, Customs Department, Department of Motor Traffic, and National Budget — provided a valuable forum for exchange of views among local officials and for identification of the several lacunae in the Sri Lankan tax

system. Subsequently, a one-day workshop on **Fiscal Devolution in Sri Lanka** was held on August 12, 1999, at Mt. Lavinia, Sri Lanka. The NIPFP consultants presented three papers entitled, "Fiscal Devolution in Sri Lanka — An Assessment of the Experience", "Fiscal Devolution in Sri Lanka — Directions for Change", and "Fiscal Devolution — Institutional Aspects, Some Issues". C. Sriyakumaran, Buddhadasa Hewavitarne, and Godfrey Gunatilleke chaired the three sessions.

In addition, the Institute held twelve in-house seminars during the year. Notable speakers at these seminars were Ved P. Gandhi, formerly Assistant Director, Fiscal Affairs Department, IMF who spoke on **Tax Reform-Precondition, Guidelines and Lessons, and on Personal Income Tax** on two different occasions; and E. Somanathan from the University of Michigan, Ann Arbor, who gave a seminar on **Deforestation in the U.P. Himalayas**. These apart, the Institute held nine in-house seminars. Details are in annexure III.

6

Training Programmes

In addition to the three courses conducted by the Institute for civil servants, the calendar of training programmes 1999-2000 included a course for the officials of the Government of Sri Lanka. Details are given below.

- A two week training programme on **Value Added Tax: Policy and Administration** was held during August 16-27, 1999. The programme was sponsored by the Ministry of Finance, and had 60 participants from the Sales tax Department, NCT of Delhi.
- **Expenditure of Subnational Governments: Assessment Management and Control** was a two week programme held from September 13-24, 1999 for Sri Lankan delegates. The number of participants were 19.
- A one week **training programme Value Added Tax**, sponsored by central and state governments was held during October 25-29, 1999. The participants, 50 in number, were from the Sales tax Departments of different states.
- In-service training programme for senior IAS officers on **Centre State Financial Relations** was organised during January 31- February 4, 2000. The course sponsored by the Department of Personnel and Training, Government of India, was attended by 25 participants.

NIPFP Publications

PUBLISHED

During the year 1999-2000, the NIPFP published four *State Fiscal Studies of Assam, Punjab, Kerala and Delhi*. Each study reviews the fiscal situation and prospects in the concerned state; identifies the structural issues underlying its fiscal performance; assesses the development impact of public spending and the main sector policies; and specifies reform options for improving the state's finances and the development impact of its spending. Details are given below.

1. **Title** : *State Fiscal Studies – Assam* (paperback) (1999)
ISBN : 81-900518-4-9 PP : 110
Authors : D.K. Srivastava, Saumen Chattopadhyay and T.S. Rangamannar
Price : Rs. 200/US \$ 10
2. **Title** : *State Fiscal Studies – Punjab* (paperback) (1999)
ISBN : 81-900518-5-7 PP : 148
Authors : Indira Rajaraman, Hiranya Mukhopadhyay and H.K. Amar Nath
Price : Rs. 200/US \$ 10
3. **Title** : *State Fiscal Studies – Kerala* (paperback) (1999)
ISBN : 81-900518-6-5 PP : 124
Authors : D.K. Srivastava, Saumen Chattopadhyay and Pratap Ranjan Jena
Price : Rs. 200/US \$ 10
4. **Title** : *State Fiscal Studies – Delhi* (paperback) (2000)
ISBN : 81-900518-7-3 PP : 156
Authors : Om Prakash Mathur and T.S. Rangamannar
Price : Rs. 250/US \$ 15

FORTHCOMING

1. **Title** : *Fiscal Federalism in India: Contemporary Challenges Issues Before the Eleventh Finance Commission*
Editor : D.K. Srivastava
2. **Title** : *Control of Public Money: Functioning of the Fiscal Machinery in Developing Countries*
Author : A. Premchand

A list of the Institute's priced publications is at annexure IV.

Library Services

COLLECTION DEVELOPMENT

Acquisition of Books and Reports. The library continued to serve the vital support needs of researchers and trainers in the area of public economics. To strengthen the library, the institute acquired books, reports, and working papers from various sources. The year saw 1,402 new documents added to the library. With this, the library collection, at end-March 2000, touched 34,100 selected titles and 3,706 bound volumes of journals.

In addition to the various publications of RBI, CSO, and other agencies of central government, the library continued to acquire states' budget documents, appropriation accounts, finance accounts, and the reports of CAG.

Acquisition of Working and Discussion Papers etc. A large number of working papers, technical reports/discussion papers/reprints were received on complimentary basis from national and international organisations, such as, the London School of Economics, The World Bank, I.M.F., NBER, Institute of Economic Development (Boston University), Institute for Fiscal Studies (London).

Journals Subscription. The library subscribed to 170 journals: 99 foreign, and 71 Indian. In addition, the library received 70 journals free of cost adding to a total of 240.

Leading national dailies were also subscribed to.

INSTITUTIONAL MEMBERSHIP

The library continued its membership to the International Bureau of Fiscal Documentation, Netherlands. A series of publications received against membership provided cross-country perspectives on tax system, procedure, and laws.

LIBRARY AUTOMATION

The library operations have been automated using **LIBSYS** - an integrated library software. The library continued to update catalogued database of books, articles (journals and newspapers) and journal holdings. These databases were accessible to users through the Institute's Local Area Network (LAN).

COMPUTERISATION OF LIBRARY RECORDS

The computerisation of library records was initiated in 1990. The library, by that time, had already acquired over 18,500 documents. While the latest acquisitions have been computerised, the conversion of the backlog is still being carried out by the library staff. So far 12,000 bibliographical records have been converted into machine-readable form, reducing the backlog to 6,500 documents.

CD-ROM DATABASE

A CD-ROM disc ECONLIT-AEA (December 1980-1999) alongwith its manual was acquired from the American Economic Association. The database is available online for members.

INFORMATION SERVICES

Current Contents. A monthly compilation of the content pages of periodicals received in the library is circulated among the NIPFP faculty members in order to familiarise them with the latest publications.

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

Current Information Bulletin (CIB). is a by-product of the on-going development work of database of articles published in journals and newspapers. The twelve issues of the bulletin giving subjectwise bibliographical information on issues pertaining to public finance were circulated. The number of journals for indexing was increased from six to twenty seven; newspapers from four to six. Circulation of articles published in journals and newspapers was replaced by the electronic mode of information dissemination. The library continued 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 24,850 publications were circulated among the members. The library provided reference and consultation facility to over 969 external research scholars and officials from India and abroad.

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

Reprographic Service. Approximately 9,380 photocopies were produced every month. Reprographic facilities were also provided to researchers of other institutes.

RENOVATION OF LIBRARY BLOCK

The renovation work undertaken by NIPFP to modernise the library envisages to equip it with adequate storage space and modern facilities conducive to study and research. In order to facilitate the process, the library has been shifted to different venues within the Institute. Normal library services, however, are not affected.

Computer Unit

In order to support and facilitate qualitative research, the computer services at NIPFP were substantially augmented during 1999-2000.

A 64 kbps leased line was obtained from MTNL to provide better internet accesses to researchers at the Institute so that they have access to bibliographic references of libraries abroad. In this regard, local data circuits through Managed Leased Data Network (MLDN) have been established between NIPFP and Etnet India, at New Delhi. Two modems (STU-160 Teillabs) were installed by MTNL for the purpose and will be maintained by them.

There was an urgent need to replace the Institute's old e-mail system (X-mail). In order to provide better e-mail system a new server was bought and a new mail system (SMTP/POP3) was installed. The Institute has registered its own domain www.nipfp.org.in with the National Centre for Software Technology (NCST) Mumbai, in order to provide e-mail service and to host its web site. In this regard, the NIPFP purchased a Microsoft Exchange Server 50 users pack, Microsoft Proxy Server and HP-NET Server with 128MB additional RAM.

During the year, 15 computers, three HP DeskJet Printers and one HP Colour LaserJet printers were bought. Fifteen off-line UPS (0.625VA Elent make) with 30 minutes backup capacity were installed with pentium computers not linked to the centralised UPS.

The additional block constructed for researchers (hall no.3) was brought under the Local Area Network (LAN) so that information can be easily transferred. For the purpose a 3-Com Ethernet Switch 1100 Superstripe-II 24 port 10/100 MBPS and Lucent 24 ports Jack Panel were purchased during the year.

The LAN facility was also extended to the residential flats of NIPFP to facilitate the research operations of the resident faculty members.

New statistical packages like LIMDEP and e-views were bought (with licence) in carrying out statistical analyses.

A training programme was organised for the computer centre staff with the help of WIPRO India on Network Management Software (NMS).

Replacement of outdated computers has been approved by the Governing Body of the Institute. It is hoped that more than 50 users will be provided with latest models of computers.

Highlights of Faculty Activities

Members of the academic staff continued to be engaged in a broad range of academic and allied activities. They participated in seminars, conferences and workshops, delivered lectures, and served government committees and professional bodies. Notable activities of the academic staff besides their participation in normal research work are highlighted below. Details pertaining to their published work are in annexure V.

Dr. C. Rangarajan, Chairman, NIPFP, and Governor of Andhra Pradesh, was appointed Chairman of the National Statistical Commission by the Government of India.

During the year under review, he published a book entitled, *Perspectives on Indian Economy – A Collection of Essays*. His research output also included important articles in journals and newspapers.

Notable lectures delivered by C. Rangarajan during the year were: "Structural Reforms – A Case Study of India" under the India-ASEAN Eminent Persons Lecture Series at the Institute of South East Asian Studies, Singapore; "Exchange Rate Management and Capital Flows – Lessons from India and East Asia" at the ASEAN Secretariat, Jakarta, Indonesia; and the Principal S.V. Desai Memorial Lecture, "State Market and the Economy" at Ahmedabad. The keynote address delivered by him at the national seminar on *Issues Before the Eleventh Finance Commission* will be published in the forthcoming seminar volume.

Ashok Lahiri, Director and CEO of the Institute, continued to provide guidance and oversee the progress of projects, training programmes and administrative activities of NIPFP. As member of several research teams of the Institute's projects, he was involved in the completion of interim reports of **Tariff Policy in Indian Hotels; Sikkim: A Vision Document; State Finances of Maharashtra; and State Surcharge Scheme on Petroleum Products**. In pursuance of the UNDP project, **Capacity Building for Fiscal Devolution in Sri Lanka**, which he is leading, preliminary drafts on **Tax Issues; and Institutions for Fiscal Devolution** in addition to the final draft of **Expenditure Assessment and Intergovernmental Grants** were submitted.

A major part of his academic activity was focused on policy advice to government committees, taskforces, working groups and professional bodies. These included: Advisory Committee on International Trade – sub-Group subject specific Group on Tariffs, Ministry of Commerce; sub-Group on Pricing and Tariff Reforms of Group on India Hydrocarbon Vision – 2025, Ministry of Petroleum & Natural Gas; Governing Board of National Institute of Bank Management, Pune; Board of Directors, IFCI, New Delhi; Planning Board, Government of Goa; Reconstituted Advisory Council, IIC, New Delhi; Academic Committee of IEG, Delhi; Audit Advisory Board, CAG of India; Informal Advisory Committee on Ways and Means Advances to State Governments; Technical Committee on State Government Guarantees, Committee to Restructure the National Institute of Bank Management, all three of RBI,

Mumbai; Group of Experts for Development of Infrastructure through Private Investment in Punjab, Government of Punjab; Technical Advisory Committee for Social Sciences Division of the ISI, Calcutta. He was a member of the Committee on Fiscal Responsibility Legislation appointed by the Government of India, and a special invitee to the RBI's working group on Fiscal Responsibility Bill. The taskforce on Reducing and Managing Internal Debt in India have also included Ashok Lahiri as their special invitee.

His presentation of the "Mid-year Review of the Economy 1999-2000" at the India International Centre, New Delhi, culminated in a published book by Konark Publishers. The Prime Minister's office, assigned him the task of preparing a note on "Floor Prices on Steel Items". Several important papers were presented by him. These included, "Deficits and Fiscal Reforms in India" at an international seminar at ISEC, Bangalore, "Practising Sub-National Public Finance in India" at the World Bank Group's First Meeting of the Global Development Network '99 Conference, Bonn, Germany; also presented at a subsequent ISEC-World Bank Institute conference at Bangalore. He lectured to diverse audiences, notable ones being a public lecture on "Fiscal Devolution Experiences" at Sri Lanka; "Reform and Governance issues in the States" at the HP Institute of Public Administration, besides a keynote address on "Are we ready for a single rate of excise?" at CII. He also gave lectures at some of the premier educational institutions of Delhi. He was among the NIPFP faculty members who took turns to lecture at the training programmes for senior public servants; also acted panelist at a session in a workshop organised by the National Institute of Financial Management.

Ashok Lahiri was a prominent panelist on the TV on Lok Sabha elections. He participated in discussions on television on economy related analyses, particularly in the context of the budget. The Rotary Club of Delhi Midtown; the Calcutta Chamber of Commerce; and the Joint Plant Committee of the Government of India were among other professional bodies that sought his views on the budget. He presided over day long deliberations on "Agenda for Good Governance" organised by DANICS Officers' Association. He chaired the lecture on "Forthcoming Ministerial meeting on WTO at Seattle – the German Perspective" by Prof. Klaus Gretschmann, *Ministerialdirektor* (Economic and Financial Affairs) in the Federal Chancellery and Principal Economic Adviser to Chancellor Schroeder at the IIC, New Delhi.

Raja J. Chelliah, Professor of Eminence, served as Honorary Adviser to the Fiscal and Financial Commission (FFC), Government of South Africa. He reviewed the reports prepared by the FFC and prepared discussion papers on "Tax Assignment Provincial Own Revenues" and "Principles of Federal Finance"; also attended a seminar organised by FFC at Cape Town, South Africa. He continued to be chairman of the expert committee on Environmental Economics and Environmental Economics Overseas Fellowship Committee set up by the World Bank. As a pioneer in the field of VAT, he is supervising the preparation of a **VAT Primer**. He was invited to inaugurate a training programme on **Value Added Tax** for senior commercial officers of Karnataka. Among the lectures delivered by Raja Chelliah was the inaugural address on "VAT as a Component of a Desired Tax System" at a NIPFP-DFID workshop, and

the Dr. Waheedudin Memorial Lecture on "Strategy of Economic Reforms for the Next Decade" at the Centre for Economic and Social Studies, Hyderabad. He co-edited a book *Income Poverty and Beyond* for UNDP, published by the Social Science Press. He has contributed a paper on *Issues Before the Eleventh Finance Commission* to a forthcoming volume on the subject.

Amaresh Bagchi, Professor Emeritus, continued to serve as member of the Eleventh Finance Commission. He is also working as a member of the Economic Advisory Council to the Prime Minister of India. He has contributed a paper, "Issues Before the Eleventh Finance Commission" to the forthcoming seminar volume, *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Finance Commission*.

Om Prakash Mathur, Principal Consultant, and Head of Housing and Urban Economics Unit, continued to pursue research in the field of housing, local finance and urban development policies. On behalf of NIPFP, he submitted to the Eleventh Finance Commission, a report on **Options for Closing the Revenue Gap of Municipalities: 2000-01 to 2004-05**. He was among the group of officials nominated by the Ministry of Finance to finalise the draft model **Indian Stamp Duty Act**. Also nearing completion is his project **India: Local Finance Data System** being created to recommend a system of classification of municipal budgets. He is also preparing **Guidelines for the Second Finance Commission of States**. The draft chapter on **Institutions for Fiscal Devolution** was prepared by him for the larger Sri Lanka/ UNDP project, **Capacity Building for Fiscal Devolution**. Work on **State Local Fiscal Relations**, a CIDA sponsored project, is expected to take off early next year.

Om Prakash Mathur participated in a meeting of an expert group on urban governance, organised by UNCHS (Habitat) at Bangkok. On an invitation of the World Bank, he attended a global conference on **Capital Markets Development at Subnational Level**, and served as a discussant in one of its sessions on Fiscal Stability and Capital Investment Decisions at the Subnational Level. He presented a paper on "Municipal Finance in a Globalised Framework" in the opening session of the international conference on **Urban Infrastructure Financing**.

O.P. Mathur delivered lectures at a two-week international training course on **Urban and City Management** organised jointly by the NIPFP, World Bank, NIUA, and NCAER at Goa. At a NIPFP hosted World Bank CAE/CAS consultation on urban sector, Om Prakash Mathur presented a paper reviewing the results of the Bank assisted urban sector projects. He delivered lectures in associated areas at the: Indian Institute of Public Administration, New Delhi; All India Institute of Local Self Government, Mumbai; and at a NIPFP organised training course for Sri Lankan delegates.

During the year under review, he accepted membership of the International Advisory Committee of the Urban Governance Initiative, established by UNDP at Kuala Lumpur; Planning Board of the Government of NCT of Delhi; a resource group set up by the World Bank for preparation of an urban-strategy for India; and the advisory group set up by ESCAP for running an internet-based training course in municipal finance. His erstwhile completed study,

State Fiscal Studies: Delhi was published by NIPFP. His paper on "State Local Fiscal Relations" has been accepted for publication in a forthcoming seminar volume, *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Finance Commission*.

Mahesh C. Purohit, Senior Fellow, continued to be engaged in work pertaining to value added tax (VAT) and reform of sales tax. Three of his projects are making steady progress, namely, the **Primer on VAT; Procedures Manual for VAT Governance**; and **Reform of Inter State Sales Tax in India**. He is also involved in studying **E-Commerce and Tax Administration**, the objective of which is to analyse the economics and mechanism of e-commerce in relation to management of taxes at the central and state levels. He held membership of various committees and councils in his area of expertise: secretary of the Standing Committee of State Finance Ministers to Monitor Sales Tax Reforms; member-secretary of the Committee of State Finance Secretaries to review progress and implementation of floor rates, in particular to examine the contents of the lists under different floor rate categories; member-secretary of VAT Council of States for coordinating VAT-policy issues for all states; member secretary and convenor of the Standing Council of Commissioners comprising all commissioners of commercial tax departments with the Union Finance Secretary as its chairman. He was also a UGC nominee on the advisory committee of the Centre for Advanced Study in Economics; executive member, International Fiscal Association – India Branch, besides being a member of the Editorial Board for its newsletter; member, Sales Tax Advisory Committee, ASSOCHAM; chairman Fiscal Policy Group, Government of National Capital Region Planning Board, New Delhi; secretary, Committee of Chief Ministers on VAT and Incentives to Backward Areas (1999); and member-secretary, Committee of Finance Secretaries on Incentives to Backward Areas (1999). He visited Pondicherry with the Government of India team for discussions on uniform floor rates of sales tax and abolition of sales tax related incentives.

His presentations revolved around his area of interest, namely, value added tax and sales tax reform. He delivered a keynote address on uniform floor rates at the Rotary Club of Pondicherry; and the Madras Chamber of Commerce and Industry; a seminar on fare and freight structure organised by the Railway Board; and on Impact of Uniform Floor Rates of Sales Tax at the all India seminar of Federation of Tax Practitioners. Mahesh Purohit delivered as many as ten lectures at diverse venues including those at the Indian Institute of Public Administration; Academy of Customs Excise and Narcotics; Jawaharlal Nehru Institute for Development Banking; HCM Rajasthan Institute of Public Administration, besides the Department of Economics at Jaipur; at a NIPFP organised training programme for IAS officers; and at a gathering of MLAs and senior officials of the Madhya Pradesh government.

He published several articles in newspapers and journals. His papers on "Assignment of Taxing Powers for Fiscal Balance" and "Tax Reforms in India: Challenges Ahead" have been accepted for inclusion in two forthcoming publications.

Indira Rajaraman, Senior Fellow, was the Reserve Bank of India Professor at the Institute.

During the year, she submitted the final report on **Fiscal Industrial Incentives of the Government of Madhya Pradesh: Costs and Benefits**, and the interim report on **Taxation of Agricultural Income** to the Department of Revenue, Ministry of Finance.

She presented a paper titled, **Fiscal Features of Rural Local Government in India** at a conference on **Governance and Development in India, China, and Russia** at the University of Bonn; the paper will appear in the conference volume. She visited the U.S. in the course of the year, and spoke on "Sustainability of Public Domestic Debt in India" at the Fiscal Affairs Department, IMF and at the University of Illinois. She also spoke on "Measures to Contain NPAs" at CRRID, Chandigarh; "Asian Economics in the Global Context" at the IMI-Lancaster University Global MBA Programme at Delhi; and on "Public Debt: Centre and States" at the NIPFP training programme for IAS officers. She spoke on "Managing the Economy" at the **AIMA National Management Forum**; was speaker and discussant at an NIPFP organised workshop on **Expenditure of Sub National Governments: Assessment, Management and Control**; and presented a paper on "The Anatomy of Sub-National Fiscal Reform" at a Festschrift for Dr. R.J. Chelliah at ISEC, Bangalore. She attended an ICSSR conference on **New Economic Policies for a New India**; and a World Bank workshop on **Public Sector Management and Fiscal Policy** in New Delhi. The NIPFP published her co-authored study, **State Fiscal Studies: Punjab**. She also published a paper on "Agricultural Taxation in Developing Countries" in the *Bulletin for International Fiscal Documentation* and an article on "Governance and Disclosure" in *Economic Times*.

She functioned in an advisory capacity to representatives of national, international and governmental agencies, besides the media in general who met her for consultations on varied aspects of fiscal policy and the macroeconomic outlook. She was an invited participant at a discussion with the US Treasury Secretary, Dr. Lawrence Summers; and on the *Fiscal Responsibility Act* at a meeting organised by the RBI at Bangalore. She examined for JNU an M.Phil dissertation; and restructured the paper on "Macroeconomic Analysis and Policy" in the syllabus for the MBE course of the Delhi University.

She served as member, Board of Directors, GIC and the GIC Board Committee on Restructuring of the General Insurance Industry; National Selection Committee for Fulbright Visiting Lecturer Grants; Faculty Selection Committee, Madras School of Economics; Academic Advisory Committee of Centre for Canadian Studies, University of Delhi; Planning Board, National Capital Territory of Delhi; and Central Advisory Committee of the Central Electricity Regulatory Commission.

D.K. Srivastava, Senior Fellow, continued to provide research inputs to the Eleventh Finance Commission as its principal consultant. At NIPFP, he finalised his co-authored report **Central Budgetary Subsidies in India** for the Department of Economic Affairs, Ministry of Finance. He also completed the draft report of **Expenditure Assessment in Fiscal Devolution**, a component of the Sri Lanka-UNDP project. **Positive and Perverse Subsidies and the Environment**, a project of which he is a member, is making headway.

During the year, he attended: an **International Conference on Federalism** at Quebec, Canada; presented a paper at a workshop in Sri Lanka; acted discussant at a national seminar on **Macro-Econometric Modelling for Planning in India** at the Institute of Economic Growth, Delhi. He lectured extensively on fiscal federalism in the various training programmes: for IAS officers; officers of the sales tax/commercial tax departments in India; and officers of the Government of Sri Lanka. He also visited the National Academy of Administration, Mussoorie to deliver lectures to trainees on "Centre State Financial Relations"; and "Economic Reforms in India with special reference to Fiscal Reforms". **State Fiscal Studies** pertaining to **Assam** and **Kerala**, which were completed under the leadership of D.K. Srivastava were brought out as NIPFP publications. At present, he is engaged in editing *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Finance Commission*; his co-authored paper is included in the volume. He is also co-editing on the internet with M. Peter Van der Hoek, a special symposium volume on *Fiscal Federalism in Developing Countries: A Comparative Perspective* to be subsequently published by the Erasmus University, Netherlands.

He was often consulted by the mass media in his areas of interest, namely, government subsidies, state finances, and economic reforms. He retained his membership in the International Institute of Public Finance and the Editorial Board, *Indian Journal of Economics and Public Finance and Management*. At the Institute, he continued to be chairman, computer committee.

Pawan K. Aggarwal, Senior Fellow, finalised and submitted his study reports, **Discriminatory Tax Treatment of Domestic vis-a-vis Foreign Products: An Assessment**; and **Database on Customs Tariff and Tariff Bindings for India: 1999-2000**. He is now preparing a similar database for SAARC countries. As a member of the Raja Chelliah team engaged in the preparation of **VAT Primer**, he completed **Issues in Administration of Value Added Tax**, while his study on **Experience in Operation of Value Added Tax in Maharashtra** is making headway. He is the main consultant on tax issues for the UNDP project, **Capacity Building on Fiscal Devolution in Sri Lanka**; submitted a preliminary report, **Some Tax Issues** for the same.

Pawan K. Aggarwal served as consultant to the Harvard Institute for International Development on the project related to **VAT Design for Tamil Nadu**. He was also a member of the Working Group on Comprehensive Computerisation in the Income tax Department.

He participated in workshops organised in Sri Lanka on **Taxation**; and **Fiscal Devolution**. In another workshop at NIPFP on **Expenditure of Subnational Governments: Assessment, Management and Control**, he was a panelist for two sessions. He coordinated a workshop at the Tariff Commission on **Discriminatory Tax Treatment of Domestic Products, vis-a-vis Foreign Products**. At yet another workshop organised by the Government of Madhya Pradesh, he participated as the main speaker on "Reform of Sales Tax in Madhya Pradesh". Two of his papers, of which one is co-authored have been accepted for the forthcoming publication, *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Finance Commission*. The DFID India and World Bank sponsored workshop on VAT was

conducted by Pawan K. Aggarwal along with a colleague, the results of which were later produced in the form of a study report. At this workshop, he presented a note on "Tax Design and Voluntary Compliance". He was an active participant in the training programmes on **VAT Policy and Administration** conducted at NIPFP in the course of the year, delivering as many as seven lectures to the participants.

J.V.M. Sarma, Senior Fellow, led the team that completed the study, **Projections of Central State and Local Taxes** for the Eleventh Finance Commission. He is now involved in the completion of his co-authored study, **Taxation of Mineral Sector in India**. The findings of the report, it is hoped, will provide useful inputs to the Multi Disciplinary Committee on Tax Regime for the Mineral Sector. In order to discuss the technical approach adopted in the study, a workshop on the same topic was organised at NIPFP. He is also a team member of the project, **Capacity Building for Fiscal Devolution in Sri Lanka**.

He conducted a training programme on **Expenditure of Subnational Governments: Assessment, Management and Control** for participants from Sri Lanka. He lectured on "Public Expenditure Management: An Overview" at the above programme. In addition, he delivered as many as eight lectures in the NIPFP organised training programmes. His paper "Principals of Federal Resource Transfers: The Issues of Horizontal Sharing" is to be included in the forthcoming publication, *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Finance Commission*.

Tapas Sen, Senior Fellow and in-charge State Finance Unit, completed three research projects during the year: a comprehensive study of **Stamp Duty Administration in Orissa**; a study report on **Projection of Central, State and Local Taxes** (co-authored); and a co-authored interim report on **State Surcharges on Petroleum Products** as a member of the committee set up to examine the issue. The final report of this study is to be submitted shortly. He also co-authored an interim report on **Sales Tax in Orissa** and the final draft of a paper on "Intergovernmental Transfers in Sri Lanka", the latter as part of the umbrella project, **Capacity Building for Fiscal Devolution in Sri Lanka**. He is also leading a research team engaged in the study of **Reform Programme for Rajasthan**.

Tapas Sen conducted a training programme at NIPFP on **Intergovernmental Financial Relations** for senior officers of the Indian Administrative Service. The programme, in which he delivered three lectures, was sponsored by the Department of Personnel and Training, Government of India. Tapas Sen continued to supervise the maintenance of **Public Finance Information System (PFIS)**, a databank on state government finances in India. Other academic activities of Tapas Sen comprised frequent interface with journalists in the field of financial activities; and examining a doctoral dissertation. The World Bank missions and the Asian Development Bank consulted him during the course of the year. His co-authored paper, "Issues Before the Eleventh Finance Commission" has been included in a forthcoming seminar volume on the subject.

A.L. Nagar, Senior Consultant, has been supervising the projects related to health care

financing. He completed and submitted to the Ford Foundation a study report on **Health and Environment** during the year. His paper on "Measurement of Quality of Life" was delivered as a seminar at the University of California at Riverside, California. He is writing another paper titled, "Measurement of Human Development: A Latent Variable" which is nearing completion.

Rita Pandey, Fellow, worked on four different studies during the year. She completed a study on **Economic Policy Instruments for Controlling Vehicular Air Pollution** for the Ministry of Environment and Forests (MoEF). Also nearing completion is her study on **Estimating Industrial Pollution Load in India**. Draft report of this study has been submitted to MoEF. Her work on **Positive and Perverse Subsidies and the Environment: with Special Reference to Agriculture in India** under a World Bank grant, is in progress. A paper based on her study on **Tradeable Permits for Intra Firm Trading for Air Pollution Control: A Case Study of Bokaro Steel Plant** has been accepted for presentation at the International Society of Ecological Economists Congress to be held in Canberra, Australia in July 2000. She was invited to speak in a workshop organised by the South Asia Network for Development and Environmental Economics in Kathmandu in November 1999, on "Taxing Vehicular Emissions: Options and Strategies". She was invited to write a paper on the same theme for the *Journal of Environment and Development Economics*.

During the year, Rita Pandey published two research papers in *Indian Journal of Applied Economics* and in an edited volume on *Econometric Studies of Economic Reforms in India*. Her paper, "Fiscal Instruments for Pollution Abatement: A Study of Distilleries in India" appeared as a working paper of NIPFP.

She lectured at training programmes at NIPFP; Institute of Economic Growth; Giri Institute of Development Research; and University of Delhi on topics related to environmental and resource economics.

She continues to be member secretary of the Environmental Economics Overseas Fellowships 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.

Hiranya Mukhopadhyay, Fellow, continued to be associated with the RBI unit on fiscal policy. He finalised the interim report of **Study of Tariff in Indian Hotels** with other colleagues. He was member of the study team involved in completing **Costs and Benefits of Fiscal Industrial Incentives of the Government of Madhya Pradesh**, and **Tax Policy and Administration in India**. The Indian Institute of Foreign Trade consulted him for the preparation of a report on **Implications of Lifting Trade Restrictions from Agricultural Exports** for the Ministry of Agriculture.

He delivered two lectures at a training programme for the probationers of the Indian Audit and Accounts Service at the Institute of Economic Growth.

Hiranya Mukhopadhyay presented a paper, "Monetary Transmission Mechanism: The

Credit Channel Hypothesis Revisited" at the Far East Econometric Society Conference at Singapore which was later published in the *International Journal of Development Banking*. His publications during the year included papers on "Trade Liberalisation in Sub-Saharan Africa: Stagnation or Growth", and "Reserve Bank of India's Intervention in the Foreign Exchange Market: An Econometric Analysis"; and a book review in the *Indian Economic Review*. His paper, "Why Income Inequality should be a part of Devolution Formula?" has been selected for inclusion in the forthcoming seminar volume, *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Commission*.

R. Kavita Rao, Fellow, collaborated with other colleagues for the preparation of the interim reports on **Study of Tariffs in Indian Hotels and Maharashtra State Fiscal Study**. As part of the Institute's efforts towards the facilitation in introduction of VAT, she, with a senior colleague organised a workshop on **Value Added Tax**. The workshop served as forum for identifying a feasible model for the adoption of VAT in Indian states and its constraints, if any, in the model. This workshop was organised with the assistance of DFID India, and the World Bank. A report of the workshop has been published by the Institute.

She is part of the team involved in bringing out the **VAT Primer**, which is expected to serve as course material for training programmes both within and outside the Institute. She also conducted a training programme at the Institute on **Value Added Tax Policy and Administration** for senior officials of the commercial tax departments of states. This is the first of a series of eight training programmes to be organised by the Institute.

Gautam Naresh, Senior Economist, was a member of the study team which completed **State Fiscal Studies: Tamil Nadu**. He is now involved in the completion of **Taxation of Mineral Sector in India** with other colleagues; the interim report with the same title was submitted in January 2000. To discuss the technical approach adopted for this study, its inputs were presented as a background paper at a workshop held at NIPFP. Gautam Naresh was the co-author of the paper. With J.V.M. Sarma, he coordinated the training programme, **Expenditure of Subnational Governments: Assessment, Management and Control** at NIPFP for delegates from Sri Lanka; acted as a discussion moderator and evaluated one of the technical sessions. Elected as a member to the council of The Indian Econometric Society (TIES), he chaired a technical session at its 36th Annual Conference at Devi Ahilya University, Indore where he also presented a co-authored paper, "A State Level Macro Fiscal Model". His paper on "Local Taxation: Principles, Policy and Reforms" was presented at the Institute for Integrated Learning in Management, New Delhi. He delivered two lectures at the Indian Institute of Public Administration New Delhi.

Dev Raj Singh, Library and Information Officer, continued to be an honorary faculty member of the Delhi Library Association, besides taking up the responsibility of treasurer to the Indian Library Association. He presented a paper titled, "Academic Status for College and University Library Professionals: Affirmation and Denial" at a national seminar at Vadodara during August 1999. He was associate editor for the conference volume on *Challenges Before*

the University Libraries in India in the 21st Century published by the Indian Library Association. Dev Raj Singh acted as rapporteur general at the 2nd MANLIBNET (Management Libraries and Information Network) conference held at Ghaziabad. He has been elected as a member to its Governing Body. Dev Raj Singh is on the expert panel of the Department of Library and Information Science, University of Kurukshetra, which is involved in developing the subject module for the Bachelor of Library and Information Science course.

Saumen Chattopadhyay, Economist, co-authored the study entitled **Sikkim: A Vision Document**, an interim report of which was submitted to the Government of Sikkim in February, 2000. He is also a member of the research team which is conducting a follow up study of **Tax Policy and Planning**. His contributions in this study will be focused on **Saving and Investment Incentives**. He is also engaged with other researchers in working on **Tax Compliance Studies** for the Planning Commission. Other research output of Saumen Chattopadhyay included a lecture on "Fiscal Policy and the Black Economy" at the Indian Institute of Mass Communication, and one on "Finances of a Special Category State: Case Study of Sikkim" for the participants of the IAS officers training programme at NIPFP. He published **State Fiscal Studies: Assam**; and **Kerala** during the year.

V. Selvaraju, Economist, co-authored **Discriminatory Tax Treatment of Domestic vis-a-vis Foreign Products: An Assessment**; and **Database on Tariff Bindings and Customs Tariff for 1999-2000**. He completed **Government Expenditure on Health Sector: 1995-96**, in collaboration with the NCAER and the World Bank. He gave a seminar on **Health Care Expenditure in Rural India** at the NCAER. He was an active participant in research related activities sponsored by the International Health Policy Programme at the IIM, Ahmedabad, where he also presented a paper on "Role of ESIS in the Emerging Health Insurance Market". He was a member of the discussion group of the *Health Policy Consortium* organised by the National Institute of Health and Family Welfare, as also member of the Health Policy Development Network.

Rita Wadhwa, Editor, attended a refresher course on editing and professional publishing at the University of Stanford, USA with funding support from UNESCO. She has been assisting D.K. Srivastava in editing a forthcoming volume, *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Finance Commission*.

Pratap Ranjan Jena, Economist, is a team member of the ongoing NIPFP projects **External Assistance to India: Concessionality and Transfers to States**; and **Reform of Sales Tax in Orissa**. During the year under review, his co-authored study, **State Fiscal Studies: Kerala** was published by NIPFP. In addition, two of his articles "Declining Budgetary Transfers to Orissa State" and "Revenue Mobilisation in Orissa State: An Inadequate Effort" appeared in national journals.

Subrata Mandal, Economist, is working on a study related to **Subsidies and the Environment**. He presented a paper, "Land Use and Energy Planning in the Indian Himalayas" at a conference on **Ecological Economics** held at Bangalore.

Mukesh Kumar Anand, joined NIPFP as an *Economist* during the year under review. Almost immediately, he was included in the team involved in the completion of **Study of Maharashtra's Finances**. He is contributing a co-authored article, "Some Notes on Principles of Central Transfers" to a forthcoming conference volume, *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Finance Commission*.

T.S. Rangamannar, *Consultant*, was engaged in revising the report on **External Assistance to India: Concessionality and Transfers to States**. He was also associated with work undertaken by the NIPFP in connection with sales tax reform. He assisted senior faculty members such as Raja Chelliah and Amaresh Bagchi in the preparation of papers; and compilation of data. T.S. Rangamannar was also a member of the team that assisted Ashok Lahiri in the presentation of his views on the Central Budget 2000-2001 on television. **State Fiscal Studies** pertaining to **Assam** and **Delhi** which were co-authored by him appeared as NIPFP publications. He attended several in-house seminars at NIPFP.

P.N. Bhattacharyya, *Consultant*, continued with the ongoing exercise of building a database pertaining to the public finances of the centre for the period 1970-71 to 1997-98. He is assisting Tapas Sen in the preparation of the study on **Fiscal Reform Programme for Rajasthan**. Other research output of P.N. Bhattacharyya included two lectures in a training programme conducted by the Institute of Government Accounts and Finances; also acted panelist in a technical session at a NIPFP organised training course for delegates from Sri Lanka.

P.N. Bhattacharyya's articles "Centre's budgetary prospects and possibilities" appeared in *Chartered Financial Analyst* and "Expenditure Control" in the *Economic Times*, New Delhi.

Pratishtha Sengupta, worked as a *Consultant* in the Housing and Urban Economics Unit. She was a co-author with Om Prakash Mathur on the study, **Options for Closing the Revenue Gap of Municipalities 2000-01 to 2004-05**. She is at present preparing to be engaged in the CIDA sponsored project, **State-Local Fiscal Relations**.

Anuradha Bhasin, *Consultant*, was a member of the research team working on **Sikkim: A Vision Document**, the interim report of which was submitted to the Government of Sikkim in February 2000.

Navin Kumar Singh, *Systems Analyst*, converted the Public Finance Information System (PFIS) database from Unix based Ingres RDBMS to Windows based Access database. He is now involved in designing a website for NIPFP.

VISITING FACULTY

A. Premchand, retired Assistant Director, IMF, and an expert on public expenditure, visited the Institute on several occasions during the year. He was associated with the study of **Sikkim: A Vision Document**; and **Study of Maharashtra's Finances**. The NIPFP is publishing his study, *Control of Public Money: Functioning of the Fiscal Machinery in Developing Countries* in collaboration with the Oxford University Press.

Ved P. Gandhi, an acknowledged expert in the field of Tax Policy and Analysis and Planning, visited NIPFP twice during the year. He led the team that conducted the UNDP/CBDT sponsored project, **Tax Policy and Administration in India**.

Rama Murali of the Indian Audit Service, is currently visiting the Institute as a senior consultant. She is associated with the study, **Disinvestment and Privatisation in India: Progress, Problems and Prospects**.

11

NIPFP Staff

A complete list of staff members — permanent and contractual — as on March 31, 2000 is at annexure VI.

12

Sponsoring Members

The sponsoring, corporate, permanent, and ordinary members of the Institute, as on March 31, 2000 are listed at annexure VII.

13

Finance and Accounts

The statement of Accounts of the Institute for the financial year 1999-2000, duly audited by the Institute's auditors M/s Thakur Vaidyanath Aiyar and Company, Chartered Accountants may be seen at annexure VIII.

LIST OF STUDIES 1999-2000

Title	Sponsoring Agency/Research Unit of the Institute	Author(s) Research Team
STUDIES COMPLETED		
1. Discriminatory Tax Treatment of Domestic, <i>vis a vis</i> Foreign Products: An Assessment	Tariff Commission	Pawan K. Aggarwal V. Selvaraju
2. Economic Policy Instruments for Controlling Vehicular Air Pollution	MoEF	Rita Pandey Geetesh Bhardwaj
3. Fiscal Industrial Incentives of the Govt. of Madhya Pradesh: Costs and Benefits	Govt. of Madhya Pradesh	Indira Rajaraman Hiranya Mukhopadhyay Namita Bhatia
4. Central Budgetary Subsidies in India	Department of Economic Affairs Ministry of Finance	D.K. Srivastava H.K. Amarnath
5. A Database on Tariff Bindings and Customs Tariff in India	Ministry of Commerce	Pawan K. Aggarwal V. Selvaraju
6. The Indian Stamp Duty Act	Ministry of Finance	Om Prakash Mathur
7. Stamp Duty Administration in Orissa	Govt. of Orissa	Tapas K. Sen
8. Revenue Projection of Central State and Local Taxes	Eleventh Finance Commission	J.V.M. Sarma Tapas K. Sen Om Prakash Mathur Diwan Chand Sandeep Thakur

9. Tax Policy and Administration in India	CBDT	Ved P. Gandhi Arvind Modi Hiranya Mukhopadhyay
10. Health Care Systems in India	Ford Foundation	NIPFP Study Team
11. Health Care Status in India	Ford Foundation	NIPFP Study Team
12. Health Care Financing Practices in Selected Countries	Ford Foundation	NIPFP Study Team
13. Health and Environment	Ford Foundation	A.L. Nagar
14. Database on Health Expenditure: Four Selected States (Vol. I & II)	Ford Foundation	NIPFP Study Team
15. Options for Closing the Revenue Gap of Municipalities 2000-2001-2004-2005	Eleventh Finance Commission	Om Prakash Mathur Pratishtha Sengupta
16. Report on the Workshop on Value Added Tax	DFID, India and World Bank	R. Kavita Rao Pawan K. Aggarwal

STUDIES NEARING COMPLETION

1.	Reform of Inter-State Sales Tax in India	Deptt. Of Revenue, Ministry of Finance	NIPFP
2.	Taxation of Mineral Sector in India	Deptt. of Mines Govt. of India	J.V.M. Sarma Gautam Naresh Jeeta Mohanty Jacqueline Roberts Mitali Dasgupta
3.	Procedures Manual for VAT Governance	Deptt. Of Revenue Ministry of Finance	Mahesh C. Purohit in association with R.J. Manay
4.	Estimating Industrial Pollution Load in India	MoEF	Rita Pandey
5.	Guidelines for the Second Finance Commission of States	Central Govt. State Govts. and USAID	Om Prakash Mathur
6.	External Assistance: Terms and Conditions of Transfer to States	Ministry of Finance	D.K. Srivastava C. Bhujanga Rao
7.	India: Local Finance Data System	Ministry of Finance	Om Prakash Mathur
8.	Capacity Building for Fiscal Devolution in Sri Lanka. a) Institutions for Fiscal Devolution b) Expenditure Assessment in Fiscal Devolution c) Intergovernmental transfers in Sri Lanka	UNOPS	NIPFP Study Team O.P. Mathur D.K. Srivastava Tapas K. Sen and J.V.M. Sarma

d) Some Tax Issues

9.	Electronic Commerce and Tax Administration	NIPFP	Pawan K. Aggarwal Mahesh C. Purohit
10.	Privatisation in India: Progress, Problems and Prospects	Ministry of Finance	Ashok K. Lahiri and Rama Murali
11.	A Database on Customs Tariff and Tariff Bindings For SAARC Countries	Ministry of Commerce	Pawan K. Aggarwal V. Selvaraju Paulomi Bhattacharyya P. James Daniel Paul
12.	State Surcharges on Petroleum Products	Ministry of Petroleum	Ashok K. Lahiri Tapas K. Sen Abhay Tripathi

ON-GOING STUDIES

1.	Taxation of Agricultural Income	CBDT Deptt. Of Revenue Ministry of Finance	Indira Rajaraman
2.	Study of Maharashtra's Finances	IDFC	Ashok K. Lahiri R. Kavita Rao Mukesh Kumar Anand
3.	Positive and Perverse Subsidies and the Environment	World Bank-IGIDR	Rita Pandey D.K. Srivastava Sushmita Chaudhury Madhurima Mitra Subrata Mandal
4.	Tariffs Policy in Indian Hotels	Hotel Association of India	Ashok K. Lahiri Hiranya Mukhopadhyay Dipankar Purkaystha Kavita Rao in association with Mamta Parhi

5.	Sikkim: Vision for the Next Millennium	Govt. of Sikkim	Ashok K. Lahiri Saumen Chattopadhyay Anuradha Bhasin
6.	Primer on VAT	Central and State Govts.	Raja J. Chelliah Pawan K. Aggarwal Mahesh C. Purohit R. Kavita Rao
7.	Sales Tax in Orissa	Govt. of Orissa	Tapas K. Sen P.R. Jena Ashok K. Lahiri
8.	Database on Public Finance	SAARC Countries	P.N. Bhattacharyya
9.	Fiscal Reform Programme for Rajasthan	Govt. of Rajasthan	Tapas K. Sen P.N. Bhattacharyya V. Selvaraju
10.	State Local Fiscal Relations	CIDA	Om Prakash Mathur Pratishtha Sengupta
11.	Public Finance Information System	Ministry of Finance	Tapas K. Sen Diwan Chand Geeta Bhatnagar Navin Kumar Singh
12.	A Software for the Database on Tariff Buildings for SAARC Countries	Ministry of Commerce	Pawan K. Aggarwal P. James Daniel Paul

WORKING PAPERS/DISCUSSION PAPERS/REPRINTS

- | | | |
|----|---|----------------------------------|
| 1. | Subsidy to Government Employees through Staff Housing
Volume and Composition of Housing Subsidies in India Through the Central Government (Reprint No. 07/1999) (April 1999) | Rita Pandey
P.S.A. Sundaram |
| 2. | Fiscal Instruments for Pollution Abatement: A Study of Distilleries in India
(Working Paper No. 01/1999) (July 1999) | Bishwanath Goldar
Rita Pandey |
| 3. | Practising Sub-National Public Finance in India
(Discussion Paper No. 01/2000) (March 2000) | Ashok K. Lahiri |

GOVERNING BODY AS ON 31.3.2000

- | | | |
|----|--|----------|
| 1. | Dr. C. Rangarajan
Chairman
Governor
Government of Andhra Pradesh
Raj Bhawan
Hyderabad-500 041 | Chairman |
|----|--|----------|

Two nominees of Ministry of Finance:

- | | | |
|----|--|--------|
| 2. | Shri Piyush G. Mankad
Finance Secretary
Ministry of Finance, North Block
New Delhi-110001
and
Secretary (Revenue)
Ministry of Finance, North Block
New Delhi-110001 | Member |
|----|--|--------|

One nominee of RBI:

- | | | |
|----|--|--------|
| 3. | Dr. A. Vasudevan
Executive Director
Reserve Bank of India
Shahid Bhagat Singh Marg
Mumbai-400023 | Member |
|----|--|--------|

One nominee of Planning Commission:

- | | | |
|----|---|--------|
| 4. | Shri N.C. Saxena
Member-Secretary
Planning Commission
Yojana Bhawan, Parliament Street
New Delhi-110001 | Member |
|----|---|--------|

Three nominees of State Governments:

- | | | |
|----|---|--------|
| 5. | Shri Ardhender Shekhar Sarangi
Commissioner-cum-Secretary (Fin.)
Government of Orissa
Secretariat, Bhubaneswar-751 001 | Member |
|----|---|--------|

- | | | |
|----|---|--------|
| 6. | Shri P.V. Rajaraman
Finance Secretary
Government of Tamil Nadu
Fort Street George
Chennai-600 009 | Member |
|----|---|--------|

- | | | |
|----|--|--------|
| 7. | Shri Hasnukh Adhia
Secretary
Finance Department
Government of Gujarat
New Sachivalaya Complex
Gandhinagar-382 010 | Member |
|----|--|--------|

One nominee of ICICI:

- | | | |
|----|---|--------|
| 8. | Smt. Lalita D. Gupte
Deputy Managing Director
Industrial Credit & Investment Corp. of India
ICICI Towers, C-23 G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai-400 051 | Member |
|----|---|--------|

Two nominees of Sponsoring Institutions

- | | | |
|----|---|--------|
| 9. | Shri Shekhar Bajaj
President
Associated Chambers of Commerce and Industry of India
Community Centre
11, Zamrudpur
New Delhi-110049 | Member |
|----|---|--------|

- | | | |
|-----|--|--------|
| 10. | Shri G.P. Goenka
President
Federation of Indian Chambers of Commerce and Industry
Federation House, Tansen Marg
New Delhi-110001 | Member |
|-----|--|--------|

Three eminent economists

- | | | |
|-----|--|--------|
| 11. | Prof. Isher Judge Ahluwalia
Director and Chief Executive
Indian Council for Research on
International Economic Relations
India Habitat Centre
Core 6A, 4th floor, Lodhi Road
New Delhi-110 003 | Member |
|-----|--|--------|

12. Prof. Vikas Chitre
Director
Gokhale Institute of Politics and Economics
Pune-411 004

Member

13. Dr. Pravin Visaria
Director
Institute of Economic Growth
University of Delhi
Delhi-110007

Member

Three representative of collaborating institutions:

14. Prof. M.K. Rakshit
Director
Research Project on Money and Finance in India
ICRA Limited
FMC Fortuna, A-13, 5th floor
234/3A A.J.C. Bose Road
Calcutta-700 020

Member

15. Prof. T.L. Sankar
Administrative Staff College
Bella Vista
Hyderabad-500 082

Member

16. Prof. Suresh Tendulkar
Director
Delhi School of Economics
University of Delhi
Delhi-110 007

Member

One member to be co-opted by the Governing Body:

17. Shri Y.H. Malegam
S.B. Billimoria & Company
Meher Chambers
R. Kamani Road, Ballard Estate
Mumbai-400 001

Member

Director of Institute (ex-officio)

18. Dr. Ashok Lahiri
Director, NIPFP

Member-Secretary

One senior fellow of the Institute by rotation:

19. Dr. J.V.M. Sarma
Senior Fellow, NIPFP

Member

Special Invitees

20. Dr. Shankar N. Acharya
Chief Economic Adviser
Ministry of Finance, North Block
New Delhi-110 001

21. Smt. S.K. Nigam
Chairman
Central Board of Direct Taxes
Ministry of Finance, North Block
New Delhi-110 001

22. Shri S.D. Mohile
Chairman
Central Board of Excise and Customs
Ministry of Finance, North Block
New Delhi-110 001

INTERNAL SEMINAR SERIES

Sl. No.	Day and Date	Seminar Person's Name	Topics
1.	Friday April 16, 1999	Mr. Tarun Kaviraj, ISI, Calcutta	Protecting Consumers Through Protection: The Role of Tariff Induced Technology Transfer
2.	Thursday May 13, 1999	Ms. Rakhee Bhattacharjee, Department of Economics, Shillong College	Financing the Special Category States
3.	Friday June 4, 1999	Dr. Hiranya Mukhopadhyay, NIPFP, New Delhi	Monetary Transmission Mechanism: The Credit Channel Hypothesis Revisited
4.	Friday July 2, 1999	Mr. Anurag Malhotra, Delhi School of Economics, Delhi	Exchange Rate Under Alternative Sticky-Price Adjustment Rule
5.	Friday August 6, 1999	Mr. E. Somanathan, University of Michigan, Ann Arbor	Deforestation in the U.P. Himalayas
6.	Monday September 6, 1999	J.V.M. Sarma, NIPFP, New Delhi	Taxation of Mineral Sector in India
7.	Friday November 26, 1999	Ms. Jyotsna Jalan, ISI, New Delhi	Estimating the Distribution of the Gains from an Antipoverty Program by Propensity Score Matching
8.	Friday December 3, 1999	Mr. Ved P. Gandhi, Formerly Assistant Director, Fiscal Affairs Department, IMF	Tax Reform – Preconditions, Guidelines and Lessons

9.	Friday December 10, 1999	Mr. Ved P. Gandhi, Formerly Assistant Director, Fiscal Affairs Department IMF	Personal Income Tax
10.	Friday January 28, 2000	Mr. Bharat Ramaswami, ISI, New Delhi	Reducing Food Subsidies: The Consequences of Piecemeal Measures
11.	Friday March 3, 2000	Mr. Amaresh Dube, NEHU, Shillong	City Size and Poverty
12.	Thursday March 16, 2000	Mr. Gangadhar Darbha, NIPFP, New Delhi	Non-Linear Adjustments in Real Exchange Rates and Long-run Purchasing Power Parity

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.
18. **Sales Tax System in Delhi** R.J. Chelliah & K.N. Reddy (1988) Rs 240.

19. **Investment Allowance (Section 32A of the Income Tax Act, 1961): A Study** J.V.M. Sarma & H.K. Sondhi (1989) Rs 75 (Paperback), Rs 100 (hardcover).
20. **Stimulative Effects of Tax Incentive for Charitable Contributions: A Study of Indian Corporate Sector** Pawan K. Aggarwal (1989) Rs 100.
21. **Pricing of Postal Services in India** Raghendra Jha, M.N. Murty & Satya Paul (1990) Rs 100.
22. **Domestic Savings in India - Trends and Issues*** Uma Datta Roy Chaudhury & Amaresh Bagchi (ed.) (1990) Rs 240.
23. **Sales Taxation in Madhya Pradesh*** M. Govinda Rao, K.N. Balasubramanian and V.B. Tulasidhar (Vikas Publishing House) (1991) Rs 125.
24. **The Operation of MODVAT*** A.V.L. Narayana, Amaresh Bagchi and R.C. Gupta, (Vikas Publishing House) (1991) Rs 250.
25. **Fiscal Incentives and Balanced Regional Development: An Evaluation of Section 80 HH*** Pawan K. Aggarwal and H.K. Sondhi (Vikas Publishing House) (1991) Rs 195.
26. **Direct Taxes in Selected Countries : A Profile (Vol. I & II)** Rs 100.
27. **Effective Incentives for Aluminium Industry in India: Monograph Series - I** Bishwanath Goldar (1991) Rs. 100.
28. **Survey of Research on Fiscal Federalism in India, Monograph Series - II** M. Govinda Rao and R.J. Chelliah (1991) Rs. 100.
29. **Revenue and Expenditure Projections: Evaluation and Methodology*** V.G. Rao, Revised and Edited by Atul Sarma (Vikas Publishing House) (1992) Rs. 195.
30. **Sales Tax Systems in India: A Profile** 1991 Rs 150.
31. **State Finances in India*** Amaresh Bagchi, J.L. Bajaj and William A. Byrd (ed.) (1992) Rs 450.
32. **Fiscal Policy for the National Capital Region*** Mahesh C. Purohit, C. Sai Kumar, Gopinath Pradhan and O.P. Bohra (1992) Rs. 225.
33. **Import Substitution in the Manufacturing Sector, Monograph Series III,** Hasheem N. Saleem (1992) Rs 150.
34. **Sales Tax Systems in India: A Profile, 1993** Rs. 150.
35. **The Ninth Finance Commission: Issues and Recommendations (A Selection of Papers)** (1993) Rs. 490.
36. **Direct Taxes in Selected Countries: A Profile (Vol. III)** compiled by K. Kannan and Mamta Shankar (1993) Rs. 80.

37. **Inter-State and Intra-State Variations in Economic Development and Standard of Living** (Monograph Series IV) (1993) Uma Datta Roy Choudhury Rs.200.
38. **Tax Policy and Planning in Developing Countries*** Amaresh Bagchi and Nicholas Stern (Ed.) (1994) (Oxford University Press) Rs.435.
39. **Reform of Domestic Trade Taxes in India: Issues and Options** Study Team (1994) Rs.250.
40. **Private Corporate Sector : Generation and Regeneration of Wealth*** Uma Datta Roy Chaudhury (Vikas Publishing House) (1996) Rs.395.
41. **Controlling Pollution: Incentives and Regulations*** Shekhar Mehta, Sudipto Mundle and U. Sankar (Sage Publications) (1997) Rs.250.
42. **India: Tax Policy for the Ninth Five Year Plan (1997-98 to 2001-02)***(Report of the Working Group on Tax Policy of the Steering Group on Financial Resources - Chairman Parthasarathi Shome) (Centax Publications Pvt. Ltd.) (1997) Rs.350.
43. **Value Added Tax in India: A Progress Report*** Parthasarathi Shome (Ed.) (Centax Publications Pvt. Ltd.) (1997) Rs.250.
44. **Fiscal Policy Public Policy & Governance*** Parthasarathi Shome (Ed.) (Centax Publications Pvt. Ltd.) (1997) Rs.400.
45. **Government Subsidies in India** D.K. Srivastava and Tapas K. Sen (1997) Rs.285.
46. **Economic Instruments for Environment Sustainability** U. Sankar and Om Prakash Mathur (1998) Rs.150.
47. **India: The Challenge of Urban Governance** Om Prakash Mathur (Ed.) (1999) Rs.400.
48. **State Fiscal Studies - Assam** D.K. Srivastava, Saumen Chattopadhyay and T.S. Rangamannar (1999) Rs.200.
49. **State Fiscal Studies - Punjab** Indira Rajaraman, H. Mukhopadhyay and H.K. Amarnath (1999) Rs.200.
50. **State Fiscal Studies - Kerala** D.K. Srivastava, Saumen Chattopadhyay and Pratap Ranjan Jena (1999) Rs.200.
51. **State Fiscal Studies - Delhi** Om Prakash Mathur and T.S. Rangamannar (2000) Rs.250.

* Available with respective publishers.

Co-published

Publications sent against draft/pay order. Postage Rs 25 per copy. 10% discount is available on all Publications.

Note : Publications at Sl. No. 1 to 18, 31, 38 and 41 are written off; not available for sale now.

PUBLISHED MATERIAL OF NIPFP FACULTY

C. RANGARAJAN

- a. "Capital Account Liberalization and Controls — Lessons from East Asia", ICRA Bulletin, *Money and Finance*, April-June 1999.
- b. "Some Critical Issues in the East Asian Crisis — An Evaluation" ICRA Bulletin, *Money and Finance*, January-March 2000.
- c. "Rationale of Reforms in the Financial Sector", *Indian Economic Journal*, January-March 1999.
- d. "Dimensions of Primary Education", *Journal of Educational Planning and Development*, Volume XIII No. 3, July 1999.
- e. "Banking Sector Reforms 1992-1997", *Managerial Challenges*, Published by M.K. Raju Consultants Pvt. Ltd. November 1999.
- f. "Indian Agriculture in the WTO Regime", *The Hindu*, July 7, 1999.
- g. "Evolution of Management Thought", *Business Line*, August 17, 1999.
- h. "Technology Upgradation and Economic Growth", *The Hindu*, December 22, 1999.
- i. "Role of State", *Business Standard*, March 27, 2000.
- j. "Ministers and Governance", *The Hindu*, January 1, 2000.
- k. "Coping with the New Millennium", *The Economic Times*, January 1, 2000.
- l. *Perspectives on Indian Economy — A Collection of Essays*. New Delhi: UBS Publishers' Distributors Ltd, January 2000.
- m. "Issues Before the Eleventh Finance Commission: Keynote Address", in D.K. Srivastava (ed.) *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Finance Commission*. New Delhi: NIPFP and Har-Anand Publications (forthcoming).

ASHOK K. LAHIRI

- a. "Power Sharing", *Business World*, June 7-13, 1999.
- b. "Wanted: Tax Designers", *Business World*, July 12, 1999.
- c. "How to make income tax work in India", *Business Standard*, July 21, 1999.
- d. "Have we lost five years?", *Business World*, August 9, 1999.
- e. "Why we need stability?", *Business World*, September 9, 1999.
- f. "I oppose the government working as banker", *Financial Express*, December 17, 1999.
- g. "Sinha must act tough to reinforce feel good factor", *Hindustan Times*, February 6, 2000.
- h. "Wanted: better tax administration", *The Hindu*, February 7, 2000.
- i. "Are we ready for a single rate of excise?", *Economic Times*, February 22, 2000.
- j. "We never had such good growth", *Business Standard*, February 25, 2000.
- k. "Budget with a mild flavor", *Telegraph*, March 13, 2000.
- l. *Mid-year Review of the India Economy 1999-2000*, New Delhi: Konark Publishers in association with IIC, New Delhi (2000).

- m. Practising Sub-National Public Finance in India, *Discussion Paper*, No. 1, National Institute of Public Finance and Policy, New Delhi (March 2000).

RAJA J. CHELLIAH

- a. (co-editor: R. Sudarshan) *Income Poverty and Beyond*. New Delhi: Social Science Press (1999).
b. "Issues Before the Eleventh Finance Commission", in D.K. Srivastava (ed.), *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Finance Commission*. New Delhi: NIPFP and Har-Anand Publications (forthcoming).

OM PRAKASH MATHUR

- a. (co-author T.S. Rangamannar) *State Fiscal Studies: Delhi*. New Delhi: National Institute of Public Finance and Policy (2000).
b. "State Local Fiscal Relations", in D.K. Srivastava (ed.) *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Finance Commission*. New Delhi: NIPFP and Har-Anand (forthcoming).

MAHESH C. PUROHIT

- a. "Uniform Floor Rates of Sales Tax", *Economic Times*, January 23, 2000.
b. "VAT is a Rational Tax System", *Business Standard*, January 3, 2000.
c. "VAT in India", Newsletter of the Indian Fiscal Association, January 2000, pp.3-6.
d. "VAT Depends Upon Right Spade Work", *Business Standard*, December 20, 1999.
e. "How to Reform State Finances", *Economic Times*, December 16, 1999.
f. "A VAT Regime Seems Nearer", *Business Standard*, November 22, 1999.
g. "Road User Taxation in India: A Comparative Perspective", *Bulletin for International Fiscal Documentation* (May 1999) pp.208-228.
h. "Tax Reforms in India: Challenge Ahead" in Debroy, Bibek (ed.) *Agenda for Change*. Vol. 4. (forthcoming).
i. "Assignment of Taxing Powers for Fiscal Balance", D.K. Srivastava (ed.) *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Finance Commission*, New Delhi: NIPFP and Har-Anand Publications (forthcoming).

INDIRA RAJARAMAN

- a. (co-author Hiranya Mukhopadhyay) *State Fiscal Studies: Punjab*. New Delhi: National Institute of Public Finance and Policy (1999).
b. (with M.J. Bhende) "Agricultural Taxation in Developing Countries", *Bulletin for International Fiscal Documentation*, 53 (11) (November 1999), pp 513-520.
c. "Fiscal Features of Rural Local Government in India" in J.J. Dethier, (ed.) *Governance, Decentralisation and Reform in China, India and Russia*, (forthcoming).
d. (co-author A. Mukhopadhyay), "Sustainability of Public Domestic Debt in India" in D.K. Srivastava

- (ed.) *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Finance Commission*, New Delhi: NIPFP and Har-Anand Publications (forthcoming).

D.K. SRIVASTAVA

- a. (co-authors Saumen Chattopadhyay and T.S. Rangamannar) *State Fiscal Studies: Assam*. New Delhi: National Institute of Public Finance and Policy (1999).
b. (co-authors Saumen Chattopadhyay and P.R. Jend) *State Fiscal Studies: Kerala*. New Delhi: National Institute of Public Finance and Policy (1999).
c. (editor) *Fiscal Federalism in India: Contemporary Challenges, Issues before the Eleventh Finance Commission*, New Delhi: NIPFP and Har-Anand Publications (forthcoming).
d. (co-editor on internet, Prof. M. Peter van der Hoek) Erasmus University, Netherlands: *Fiscal Federalism in Developing Countries: A Comparative Perspective*.
e. (co-author Pawan K. Aggarwal) "Fragmentation of States and Criteria-Based Fiscal Transfers in India" in *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Finance Commission*, New Delhi: NIPFP and Har-Anand Publications (forthcoming).
f. (co-author Tapas K. Sen) "Fiscal Federalism in India: Issues Before the Eleventh Finance Commission" in *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Finance Commission*, New Delhi: NIPFP and Har-Anand Publications (forthcoming).

PAWAN K. AGGARWAL

- a. (with R. Kavita Rao) Report on the Workshop on Value Added Tax held during July 26-28, 1999, New Delhi, National Institute of Public Finance and Policy (December 1999).
b. "Ramifications of Alternative Revenue Sharing Criteria: A Review", *Fiscal Federalism in India: Contemporary Challenges, Issues before the Eleventh Finance Commission*, New Delhi: NIPFP and Har-Anand Publications (forthcoming).
c. (co-author D.K. Srivastava) "Fragmentation of States and Criteria-Based Fiscal Transfer in India" *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Finance Commission*, New Delhi: NIPFP and Har-Anand Publications (forthcoming).

J.V.M. SARMA

- a. "Principles of Federal Resource Transfers: The Issues of Horizontal Sharing", D.K. Srivastava (ed.) *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Finance Commission*, New Delhi: NIPFP and Har-Anand Publications (forthcoming).

TAPAS K. SEN

- a. (co-author D.K. Srivastava) "Fiscal Federalism in India: Issues Before the Eleventh Finance Commission" in *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Finance Commission*, New Delhi: NIPFP and Har-Anand Publications (forthcoming).

RITA PANDEY

- a. "Pricing Industrial Pollution: A Case study" *Indian Journal of Applied Economics*, October-December, 8(4), (1999).
- b. "Designing Pigouvian Tax for Pollution Abatement in Sugar Industry", *Econometric Studies of Economic Reforms in India*. In V.V.N. Somayajulu (ed.) *Academic Foundation* (January 2000).
- c. (co-author B.N.Goldar) "Economic Approaches to Environmental Control", (forthcoming).
- d. "Fiscal Instruments for Pollution Abatement: A Study of Distilleries in India", NIPFP Working Paper, July, 1999.
- e. "Taxing Vehicular Emissions: Options and Strategies", *Journal of Environment and Development Economics* (forthcoming).
- f. "Pollution Taxes for Industrial Water Pollution Control" in N.C. Sahu and Amita Choudhary, (ed.) *Dimensions of Environmental and Ecological Economics*. The Universities Press (India) Ltd. (forthcoming).

HIRANYA MUKHOPADHYAY

- a. "Monetary Transmission Mechanism: The Credit Channel Hypothesis Revisited", *International Journal of Developing Banking* (July 1999).
- b. "Trade Liberalization in Sub-Saharan Africa: Stagnation or Growth", *Journal of International Development*, Vol.11 (1999).
- c. (co-author Sumon Bhaumik), "Reserve Bank of India's Intervention in the Foreign Exchange Market: An Econometric Analysis" *Economic and Political Weekly, Special Issue on Money, Banking and Finance*, January 29-February 4, 2000.
- d. Book review of Sudipto Mundle (ed.) *Public Finance: Policy Issues for India in Indian Economic Review*, January-June 1999.
- e. (co-author Indira Rajaraman) *State Fiscal Studies: Punjab*. New Delhi: National Institute of Public Finance and Policy (1999).
- f. "Why Income Inequality should be a Part of Devolution Formula", D.K. Srivastava (ed.) *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Finance Commission*, New Delhi: NIPFP and Har-Anand Publications (forthcoming).

P.N. BHATTACHARYYA

- a. "Centre's budgetary prospects and possibilities", *The Chartered Financial Analyst*, February 2000.
- b. "Expenditure Control", *Economic Times*, March 29, 2000.

SAUMEN CHATTOPADHYAY

- a. (co-authors D.K. Srivastava and T.S. Rangamannar) *State Fiscal Studies : Assam*, New Delhi: National Institute of Public Finance and Policy (1999).

- b. (co-authors D.K. Srivastava and Pratap Ranjan Jena) *State Fiscal Studies : Kerala*, New Delhi : National Institute of Public Finance and Policy (1999).

PRATAP RANJAN JENA

- a. (co-authors D.K. Srivastava and Saumen Chattopadhyay) *State Fiscal Studies: Kerala*. New Delhi: National Institute of Public Finance and Policy (1999).
- b. "Declining Budgetary Transfers to Orissa State" *Indian Journal of Regional Science*, xxxi (2) (1999), pp 47-60.
- c. "Revenue Mobilisation in Orissa State: An Inadequate Effort": *Social Science Research Journal*, 7(1 and 2) (1999), pp 56-80.

MUKESH KUMAR ANAND

- a. (co-authors Raghendra Jha and S. Gupta) "Some Notes on Principles of Resource Transfers", D.K. Srivastava (ed.) *Fiscal Federalism in India: Contemporary Challenges, Issues Before the Eleventh Finance Commission*, New Delhi: NIPFP and Har-Anand Publications (forthcoming).

T.S. RANGAMANNAR

- a. (co-authors D.K. Srivastava and Saumen Chattopadhyay) *State Fiscal Studies: Assam*. New Delhi: National Institute of Public Finance and Policy (1999).
- b. (co-author Om Prakash Mathur) *State Fiscal Studies: Delhi*. New Delhi: National Institute of Public Finance and Policy (2000).

LIST OF STAFF MEMBERS AS ON 31.3.2000

ACADEMIC STAFF

1.	Dr. C. Rangarajan	Chairman
2.	Dr. Ashok Lahiri	Director
3.	Dr. R.J. Chelliah	Professor of Eminence
4.	Dr. A. Bagchi	Emeritus Professor
5.	Prof. O.P. Mathur	Principal Consultant
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 K. Sen	Senior Fellow
12.	Dr. (Mrs) Rita Pandey	Fellow
13.	Dr. Hiranya Mukhopadhyay	Fellow
14.	Dr. R. Kavita Rao	Fellow
15.	Dr. C. Bhujanga Rao	Senior Economist
16.	Dr. Hasheem Nouroz	Senior Economist
17.	Dr. Gautam Naresh	Sr. Economist
18.	Shri Saumen Chattopadhyay	Economist
19.	Shri V. Selvaraju	Economist
20.	Mrs. Rita Wadhwa	Editor
21.	Dr. P.R. Jena	Economist
22.	Shri Diwan Chand	Economist
23.	Dr. Gangadhar Darbha	Economist
24.	Shri Subrata Kr. Mandal	Economist
25.	Dr. P. James Daniel Paul	Economist
26.	Dr. Mukesh Kumar Anand	Economist
27.	Shri A.K. Halen	Junior Economist
28.	Mrs Sujata Datta	Research Associate
29.	Dr. O.P. Bohra	Research Associate
30.	Mrs Gita Bhatnagar	Research Associate

ADMINISTRATIVE STAFF

1.	Shri B.K. Chakravarti	Secretary
2.	Mrs A. David	Training Officer
3.	Ms. Sushila Panjwani	Sr. PPS to Chairman
4.	Shri N. Natarajan	Sr. PPS to Director

5.	Shri Naveen Bhalla	Administrative Officer
6.	Mrs. H. Gautam	Accounts Officer
7.	Shri Hari Shankar	Hostel Incharge
8.	Shri Satish Prabhu	Estate Officer
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
13.	Shri Sharad Aggarwal	Accounts Executive
14.	Shri S.C. Sharma	Assistant
15.	Shri Bhaskar Mukherjee	Assistant
16.	Mrs. Indira Hassija	Assistant
17.	Shri Parvinder Kapur	Stenographer Gr. II
18.	Shri S.N. Sharma	Assistant
19.	Shri J.S. Rawat	Assistant
20.	Smt. Promila Rajvanshi	Stenographer Gr. II
21.	Shri Kapil Kumar Ahuja	Steno-typist
22.	Smt. Kavita Issar	Steno-typist-cum-Telephone Operator
23.	Shri V.M. Budhiraja	Clerk (Accounts)
24.	Shri Nand Ram	Clerk-Cum-Typist
25.	Shri Birendra Singh Rawat	Clerk (Accounts)
26.	Shri Rajinder Negi	Steno-Typist
27.	Shri Anurodh Sharma	Steno-Typist
28.	Ms. Ruchi Anand	Receptionist-cum Telephone Operator
29.	Shri P. Sreedharan	Staff Car Driver
30.	Shri H.B. Pandey	Gestetner Operator
31.	Shri Devi Singh	Hostel Attendant
32.	Shri Dhanpat	Hostel Attendant
33.	Shri Raju	Photocopier Operator-cum-Driver
34.	Shri Lal Bahadur	Watchman
35.	Shri Kishan Singh	Messenger
36.	Shri Bishamber Pandey	Messenger
37.	Shri Mohan Singh	Messenger
38.	Smt. Kamla Tiwari	Messenger
39.	Smt. Annamma George	Messenger
40.	Shri Shiv Bahadur	Gardener
41.	Smt. Palayee	Gardener
42.	Shri Shiv Pratap	Gardener

COMPUTER STAFF

1. Shri Jagdish Arya
2. Shri Anil Kumar Sharma

Data Processing Asst. Gr. B
Assistant (Comp. Opr.)

LIBRARY STAFF

1. Dr. Dev Raj Singh
2. Shri. Dinesh Chand
3. Smt. Sudha Saxena
4. Shri P.C. Upadhyay
5. Shri Dharamvir
6. Shri Hira Singh

Library & Information Officer
Asst. Library & Information Officer
Sr. Library & Information Assistant
Library Information Assistant
Sr. Library Attendant
Jr. Library Attendant

CONTRACTUAL ACADEMIC STAFF

1. Shri T.S. Rangamannar
2. Shri P.N. Bhattacharyya
3. Ms. Pratistha Sengupta
4. Ms. Anuradha Bhasin
5. Ms. Garima Vasishtha
6. Shri Sandeep Thakur
7. Shri Anil Yadav
8. Ms. Jeeta Mohanty
9. Shri Anik Bhaduri
10. Shri P. Brijesh
11. Ms. Ritu Bahl
12. Shri Geetesh Bhardwaj
13. Ms. Madhurima Mitra
14. Ms. Susmita Chaudhury
15. Ms. Jacqueline Roberts
16. Ms. Mitali Dasgupta
17. Ms. Kankana Mukhopadhyay
18. Ms. Paulomi Bhattacharyya
19. Shri Sudip Ranjan Basu

Consultant
Consultant
Consultant
Consultant
Jr. Consultant
Project Associate
Project Associate
Project Associate
Project Associate
Project Associate
Project Associate
Project Associate
Project Associate
Project Associate
Project Associate
Project Associate
Project Associate
Jr. Project Associate
Jr. Project Associate
Jr. Project Associate

CONTRACTUAL COMPUTER STAFF

1. Shri N.K. Singh

Programmer-cum-System Analyst

CONTRACTUAL LIBRARY STAFF

1. Ms. Shashi Gupta

Associate (Library)

2. Ms. Manju
3. Ms. Azad Kaur

Library Assistant
Library Assistant

CONTRACTUAL ADMINISTRATIVE STAFF

1. Shri C.L. Khanna
2. Shri Edward Francis
3. Shri S.C. Hanslas
4. Shri S.P. Malhotra
5. Shri D.D. Sharma
6. Ms. Usha Mathur
7. Ms. Rekha
8. Ms. Surekha Bedi
9. Mrs. Sushma Malhotra
10. Mrs. Kiran Malik
11. Ms. Amita Padhwal
12. Shri V. Karketta
13. Shri Rup Singh

Associate (Admn & Fin)
Associate (Admn)
Stenographer
Stenographer
Assistant
Steno-typist
Steno-typist
Steno-typist
Steno-typist
Steno-typist
Steno-typist
Peon
Peon

LIST OF SPONSORING, CORPORATE, PERMANENT AND ORDINARY MEMBERS AS ON 31.3.2000

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

Finance and Accounts

Auditor's Report

THAKUR VAIDYANATH AIYAR & CO.

Chartered Accountants
New Delhi, Calcutta, Mumbai, Chennai,
Patna, Chandigarh and Hyderabad

212 Deen Dayal Marg,
New Delhi 10002
Tel: 3236958-60, 3237772
Fax: 3230831

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, 2000 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 alongwith the significant accounting policies and notes thereon, gives a true and fair view:

(a) In the case of statement of Financial position of the state of the affairs of the Institute as at 31st March, 2000; and

(b) In the case of the Income and Expenditure Statement, of the deficit for the year ended on that date.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants

sd/-
(M.P. Thakur)
Partner

Place: New Delhi
Dated: 7th August, 2000

STATEMENT OF FINANCIAL POSITION AS ON 31.03.2000

	Schedule Referred	As at 31.03.2000 Rs.	As at 31.03.99 Rs.
SOURCES			
Assets Fund	1	45,315,532	41,818,127
Endowment Fund	2	24,767,969	21,401,892
Earmarked Funds	3	26,133,021	18,177,042
Secured Loan	4	248,322	550,008
Unutilised Grants	5	7,165,761	5,701,099
Total		103,630,605	87,648,168
APPLICATION			
Fixed Assets	6	45,315,533	41,818,127
Capital work in Progress		3,330,375	-
Investment of Earmarked and other Funds	7	39,600,265	35,150,920
Net Current Assets	8	15,051,682	10,679,121
Deficit for the year		332,730	-
Total		103,630,605	87,648,168
Notes forming part of Accounts	16		

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.

sd/-
(M.P. THAKUR)
Partner
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI
DATED: 07.08.2000

INCOME AND EXPENSES STATEMENT FOR THE YEAR ENDED 31st MARCH 2000

	Schedule	Current Year Rs.	Previous Year Rs.
INCOME			
Grants - General Support			
- Central Govt.	9	13,283,292	11,498,508
- State Govt.	10	1,060,000	860,000
Project Support	14	589,828	1,066,206
Endowment Chairs/Cells	15	7,017,426	2,086,209
Project Fees		19,074,440	16,728,251
Course and Programme Fees		5,092,743	1,513,767
Sale of Publications		120,096	63,304
Corporate Membership Fees		25,000	25,000
Interest on Investments		193,314	162,895
Other Receipts		944,836	589,598
Total		47,400,975	34,593,738
EXPENSES			
Research Activities			
Salary and Allowances	11	18,906,281	15,635,012
Operational Expenses	12	5,851,335	3,375,168
Administrative Expenses	13	7,804,294	6,968,024
Expenses on Projects	14	589,828	1,066,206
Expenses on Endowment Chairs/Cells	15	7,017,426	2,086,209
		40,169,164	29,130,619
Depreciation		7,564,541	4,527,274
Total		47,733,705	33,657,893
Surplus/(Deficit) for the year carried over to Balance Sheet		(332,730)	935,845

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.

sd/-
(M.P. THAKUR)
Partner
CHARTERED ACCOUNTANTS
PLACE : NEW DELHI
DATED: 07.08.2000

SCHEDULE - 1

	As at 31.3.2000 Rs.	As at 31.3.1999 Rs.
CAPITAL ASSETS FUNDS		
1. Capital Assets Fund		
Balance at the beginning of the year	41,818,127	22,372,311
Add: Assets added during the year		
- Transfer/Adjustment from Additional Liability Fund (Refer Sch 3)	-	1,907,997
- Transfer from Int. on Endowment Fund (Refer Sch 3)	613,998	529,674
- Transfer from Int. on Life Membership Fund (Refer Sch 3)	15,335	17,982
- Transfer from Int. on Scientific Research Fund (Refer Sch 3)	87,556	81,959
- Transfer from Int. on Depreciation Fund (Refer Sch 3)	1,150,123	781,225
- Transfer from Int. on Government Endowment Fund (Refer Sch 3)	860,488	2,601,471
- Transfer from Int. on Grant for Augmentation (Refer Sch 3)	-	1,044,918
- Transfer from Int. on Capital Grant recd from Govt. (Refer Sch 3)	-	8,043,000
- Transfer from Additional Liability Fund (Refer Sch 3)	-	4,437,589
- Transfer from Int. on Additional Liability Fund (Refer Sch 3)	256,500	-
- Transfer from RBI Chair	414,405	-
- Transfer from FFG - Health Economics (Refer Sch 3)	99,000	-
	3,497,405	19,445,816
TOTAL	45,315,532	41,818,127

SCHEDULE - 2

	As at 31.3.2000 Rs.	As at 31.3.1999 Rs.
ENDOWMENT FUNDS		
a. Endowment Fund	6,177,924	6,177,924
	6,177,924	6,177,924
b. Initial Endowment Fund	3,915,000	3,915,000
	3,915,000	3,915,000
c. Scientific Research Fund	727,407	727,407
	727,407	727,407
d. Life Membership Fund	120,000	120,000
	120,000	120,000
e. Government Endowment Fund	10,000,000	10,000,000
	10,000,000	10,000,000
f. Bimla Bagchi Award Fund	30,000	30,000
	30,000	30,000
g. Additional Liability Fund		
- Opening Balance	431,561	1,109,866
i. Employee Liability Fund		
- Transfer from Project Fees	2,244,051	1,968,030
	2,675,612	3,077,896
ii. Development Fund		
- Transfer from Project Fees	1,122,026	984,015
	3,797,638	4,061,911
ii. Contingency Fund		
- Add: Transferred from Income & Exp. A/c	-	935,845
	3,797,638	4,997,756
Add: Adjustment in Capital Assets Fund	-	1,779,391
	3,797,638	6,777,147
Less: Transfer to Capital Assets Fund	-	1,907,997
	3,797,638	4,869,150
Less: Transfer to Capital Assets Fund towards cost of Assets	-	4,437,589
	3,797,638	431,561
TOTAL	24,767,969	21,401,892

SCHEDULE - 3

	As at 31.3.2000 Rs.	As at 31.3.1999 Rs.
EARMARKED FUNDS		
1. a Depreciation Fund		
- Balance at the beginning of the year	15,166,970	12,419,067
Add: Depreciation during the year	7,564,541	4,527,274
	22,731,511	16,946,361
Less: Adjustment in Opening Balance		1,779,391
	22,731,511	15,166,970
b. Interest on Depreciation Fund		
- Balance at the beginning of the year		
Add: Interest earned during the year	1,150,123	781,225
Less: Transfer to Capital Assets Fund	1,150,123	781,225
2. a. Ford Foundation Fund		
Interest accumulation		
- Balance at the beginning of the year	2,999,944	1,829,085
Add: Interest earned during the year	324,996	1,978,585
	3,324,940	3,807,670
Less: Expenditure during the year	546,812	807,727
	2,778,128	2,999,943
b. Interest on Initial Endowment Fund		
- Balance at the beginning of the year		
Add: Interest earned during the year	613,998	529,674
Less: Transfer to Capital Assets Fund	613,998	529,674
c. Interest on Scientific Research Fund		
- Balance at the beginning of the year		
Add: Interest earned during the year	87,556	81,959
Less: Transfer to Capital Assets Fund	87,556	81,959
d. Interest on Life Membership Fund		
- Balance at the beginning of the year		
Add: Interest earned during the year	15,335	17,982
Less: Transfer to Capital Assets Fund	15,335	17,982
e. Government Grant		
a) Endowment Fund		
Interest accumulation		1,251,345
Add: Interest earned during the year	1,475,638	1,350,126
	1,475,638	2,601,471
Less: Transferred to Capital Fund	860,488	2,601,471
	615,150	

b) Grant for Augmentation infrastructural Facilities	-	629,122
Add: Interest earned during the year	-	415,796
	-	1,044,918
Less: Transferred to Capital Fund	-	1,044,918
f. Interest on Additional Liability Fund Interest accumulation		
- Balance at the beginning of the year	-	-
Add: Interest earned during the year	256,500	-
	256,500	-
Less: Transferred to Capital Assets Fund	256,500	-
g. Birla Bagchi Award Fund		
Interest accumulation		
- Balance at the beginning of the year	10,129	5,575
Add: Interest earned during the year	4,103	4,554
	14,232	10,129
Less: Awards distributed during the year	6,000	-
	8,232	10,129
TOTAL	26,133,021	18,177,042

SCHEDULE - 4

SECURED LOAN

	As at 31.3.2000 Rs.	As at 31.3.1999 Rs.
Loan from Housing Development Finance Corporation	550,008	815,852
Less: Repayment of loan for the year	301,686	265,844
TOTAL	248,322	550,008

SCHEDULE - 5 Unutilised Grant

Source	Balance as on 1.04.1999 Unutilised	Fresh Receipts/ Interest Recoverable	TOTAL	Assets Purchased	Utilisation Other Expenses	Refund	TOTAL	Balance as on 31.03.2000 Unutilised	Recoverable
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A. Grant from Governments									
a. Central Government									
Opening Balance	-	-	1,500,000	-	1,500,000	-	1,500,000	-	-
Recurring Grant	838,247	14,500,000	15,338,247	-	11,783,292	838,247	12,621,539	2,716,708	-
Pay revision difference	-	-	-	-	-	-	-	-	-
TOTAL (A)	838,247	16,000,000	16,838,247	99,000	13,283,292	838,247	14,121,539	2,716,708	-
B. 1. Grants from Ford Foundation									
a. Industrial Policy Research	1,239	-	1,239	-	-	-	-	1,239	-
b. Post-Doctoral Research Fellowship	691,172	18,202	709,374	-	143,775	-	143,775	565,599	-
c. Health Economics & Financing in India	148,793	3,178	151,969	39,000	3,420	-	102,420	49,549	-
Fiscal Policy - London School	1,797,131	7,182	1,804,313	-	343,633	-	343,633	1,460,680	-
World Bank - Water Global	869,059	-	869,059	-	-	-	-	869,059	-
Asian Development Bank	11,752	-	11,752	-	-	-	-	11,752	-
Indo Canadian	88,360	-	88,360	-	-	-	-	88,360	-
UNDP	783,450	35,792	819,242	-	-	-	-	783,450	-
IRIS	106,265	-	106,265	-	-	-	-	106,265	-
WRI	156,317	-	156,317	-	-	-	-	156,317	-
TOTAL (B)	4,623,746	64,352	4,688,098	99,000	490,828	-	589,828	4,088,270	-
C. Endowment Chairs/Cells									
a. HDFC Chair	621,130	1,520,000	898,870	-	760,973	-	760,973	117,897	-
b. Cell on Data Bank	40,498	-	40,498	-	-	-	-	40,498	-
c. State Finance Cell	155,089	-	155,089	-	-	-	-	155,089	-
d. (i) RBI Chair	536,745	891,002	1,427,747	-	316,968	-	316,968	37,289	-
(ii) RBI Contingency	-	500,000	500,000	414,405	85,595	-	500,000	-	-
E. (i) EEOFC	43,509	5,200,000	5,243,509	-	5,419,485	-	5,419,485	-	175,976
(ii) EEOFC (Books)	-	250,000	250,000	-	250,000	-	250,000	-	-
TOTAL (C)	239,106	1,157,875	7,442,232	414,405	6,853,021	-	7,267,426	350,783	175,976
TOTAL (A+B+C)	5,701,099	1,157,875	24,425,354	513,405	20,627,141	838,247	21,978,793	7,165,761	175,976

SCHEDULE - 6 FIXED ASSETS AS AT 31ST MARCH 2000

S.No	Description	As At 1.4.99	Gross Block at Cost Additions	Adjust-ments	Total	Upto 31.3.99	Depreciation For the Year	Adjust-ments	Total	Written Down Value As At 31.3.2000
1	2	3	4	5	6	7	8	9	10	11
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1.	Leasehold Land	638,753	-	-	638,753	-	-	-	-	638,753
2.	Building	18,252,222	154,262	-	18,406,484	2,819,905	486,737	-	3,306,642	15,099,843
3.	Data Processing Equipment	13,810,470	1,452,149	-	15,262,619	7,144,723	4,025,643	-	11,170,366	4,092,253
4.	Office Equipment	4,067,134	51,300	-	4,118,434	1,751,999	1,271,695	-	3,023,694	1,094,740
5.	Furniture and Fixture	1,350,711	132,156	-	1,482,867	1,089,188	280,441	-	1,369,629	113,238
6.	Hostel, Library, Computer & Seminar Room Furniture	713,596	-	-	713,596	547,268	117,641	-	664,909	48,687
7.	Air Conditioner and Water Coolers	1,488,858	1,654,821	-	3,143,779	817,051	890,763	-	1,707,814	1,435,965
8.	Electric Installations	767,047	12,466	-	779,513	529,879	215,859	-	745,738	33,775
9.	Vehicles	695,338	-	-	695,338	438,663	256,673	-	695,336	2
10.	Horticulture Equipment	33,998	40,152	-	74,150	28,293	19,089	-	47,382	26,768
Total	41,818,127	3,497,406	-	45,315,533	15,166,970	7,584,541	-	22,731,511	22,584,022	25,794,389
11.	Building work in Progress	-	-	-	-	-	-	-	-	3,330,375
Grand Total	41,818,127	3,497,406	-	45,315,533	15,166,970	7,584,541	-	22,731,511	25,914,397	25,794,389
Previous Year	24,260,307	17,537,819	-	40,998,126	10,639,696	4,527,274	-	15,166,970	26,651,157	13,640,611

SCHEDULE - 7**INVESTMENT**

Nature of the Investment	As at 31.03.2000 Rs.	As at 31.3.1999 Rs.
A. Public Sector Banks		
a. Term Deposits	6,707,365	3,108,000
B. Public Sector Financial Institution		
i. Deposits	7,728,920	1,315,000
ii. Bonds/Debentures	5,365,000	12,228,920
C. Public Sector- Companies Deposits	19,799,000	18,499,000
TOTAL	39,600,285	35,150,920

SCHEDULE - 8**NET CURRENT ASSETS****A. CURRENT ASSETS**

	As at 31.03.2000 Rs.	As at 31.3.1999 Rs.
1. Interest Accrued	2,529,979	1,938,056
2. Stock of Publications	214,039	203,305
3. Cash and Bank Balances		
- Cash and Postage Imprest	11,343	3,119
- Cheques in transit	10,000,000	
- Current and Savings Accounts	8,979,809	8,371,304
- Term Deposits	165,564	154,000
	19,156,716	8,528,423
4. Recoverable		
- Project Fees Accrued	11,801,941	8,383,637
- Grants, Fees and Others	175,976	1,157,875
	11,977,917	9,541,512
5. Advances and Deposits	348,212	319,223
Sub Total (A)	34,226,863	20,530,519
B. CURRENT LIABILITIES		
1. Project Fees received in advance	544,253	834,818
2. Grants for acquisition of Land	10,000,000	-
3. Creditors and Payables	8,171,389	8,369,136
4. Deposits refundable	435,500	626,000
5. Staff Welfare Fund	24,039	21,444
Sub Total (B)	19,175,181	9,851,398
NET CURRENT ASSETS (A-B)	15,051,682	10,679,121

SCHEDULE - 9**GENERAL SUPPORT GRANTS**

	Current Year Rs.	Previous Year Rs.
A. Grant from Government of India:		
- Recurring Grant	1,500,000	1,500,000
- Pay Revision Difference	14,500,000	10,200,000
	<u>16,000,000</u>	<u>11,700,000</u>
Amt Unutilised during the year	2,716,708	201,492
Less: Utilised amount transferred to Balance Sheet	<u>13,283,292</u>	<u>11,498,508</u>

SCHEDULE - 10**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 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 Tamil Nadu	100,000	100,000
- Govt. of Assam	100,000	-
	<u>1,060,000</u>	<u>860,000</u>
TOTAL	<u>1,060,000</u>	<u>860,000</u>

SCHEDULE - 11**SALARIES AND ALLOWANCES**

	Current Year Rs.	Previous Year Rs.
- Salaries and Allowances	13,524,227	13,010,889
- Contribution of PF and Other Funds	1,623,874	1,341,847
- Additional Contribution for P.F. interest for earlier years	2,220,280	-
- Staff Benefits and Welfare	924,693	928,559
- Consultancy Fees	532,333	318,689
- Other Related Expenses	80,874	35,028
TOTAL	<u>18,906,281</u>	<u>15,635,012</u>

SCHEDULE - 12**OPERATIONAL EXPENSES**

- Books and Periodicals	1,631,850	982,265
- Cost of Publications	3,859	2,750
- Course and Programme Expenses	1,672,841	1,164,671
- Meeting and Seminar	86,156	168,522
- Decrease in Stock of Publication	-	60,312
- Project Expenses	2,456,629	996,649
TOTAL	<u>5,851,335</u>	<u>3,375,168</u>

SCHEDULE - 13

	Current Year Rs.	Previous Year Rs.
ADMINISTRATIVE EXPENSES		
- Travelling and Conveyance	1,641,191	1,315,932
- Rent, Rates and Taxes	143,561	413,668
- Water and Electricity	880,674	686,800
- Printing and Stationery	816,719	806,049
- Telephone and Postage	965,980	1,145,694
- Repairs and Maintenance	2,433,364	1,761,384
- Car Expenses	261,046	250,487
- Audit Fees	24,150	12,000
- Provident Fund Audit Fee for earlier year	56,700	-
- Miscellaneous Expenses	506,611	465,870
- Interest on Housing Loan to HDFC	74,298	110,140
TOTAL	7,804,294	6,968,024

SCHEDULE - 14**EXPENSES ON PROJECTS**

a. Ford Foundation Grant		
- Post Doctoral Research Fellowship	143,775	475,090
- Study on Health Economy	102,420	289,683
	246,195	764,773
b. Expenses on UNDP Project	-	102,881
c. London School of Economics - Fiscal Policies	343,633	175,681
d. World Resource Institute	-	22,871
TOTAL	589,828	1,066,206

SCHEDULE - 15

	Current Year Rs.	Previous Year Rs.
EXPENSES ON ENDOWMENT CHAIRS/CELLS		
1. Expenses on Chairs		
- RBI Chair	316,968	405,444
- RBI Contingency	500,000	-
- HDFC Chair	780,973	732,105
- EEOFC	5,419,485	-
	7,017,426	1,137,549
2. Expenses on Cells		
- State Finance		44,522
TOTAL	7,017,426	1,182,071

ACCOUNTING POLICIES

1. 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 basis.
2. The word 'Fund' has been used to denote the intention to keep the balances invested ultimately.
3. Amounts written off as depreciation are funded instead of being shown as deduction from gross value of assets.
4. Endowment Funds reflect grants received from various organisations for specific purposes. Interest accrued on Endowment Funds is used for specific purposes. Balance of unutilized interest is kept in the respective Earmarked Funds, except interest on Depreciation Fund.
5. Investments are stated at cost.
6. Interest on specific funds is accrued to specific funds only.
7. 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.
8. Provident Fund and Gratuity Liability is being funded by means of contribution to separate Trust.
Provision for gratuity is made on actuarial basis.
9. Books, Journals and Periodicals are charged off to revenue in the year of purchase.

NOTES ON ACCOUNTS

1. Contingent Liabilities
 - (a) Property Tax in respect of newly constructed residential flats of the Institute, the ratable value of which is yet to be assessed by the Municipal Corporation of Delhi.
 - (b) Liability in respect of cases of staff members pending in various courts (amounts not ascertainable).
2. Investments include RS. 4,00,000 pledged with Banks.
3. 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.
4. (a) Interest received on Endowment Fund, Scientific Research Fund and Life Membership Fund 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.
(b) Consequent to above, the income during the year stands reduced by Rs.7.17 lakh.
5. Depreciation includes Rs. 25.00 lakh being arrears of depreciation recomputed on the basis of changes in the depreciation policy as followed during the year 1998-99.
6. 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 percent 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 a Contingency Fund as well.

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

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

Project fees is net of above transfers of Rs. 22,44,051/- towards Employee Liability Fund and Rs. 11,22,026/- towards Development 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.

Schedules referred above form integral part of this Statement.

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

As per our report of even date
For THAKUR, VAIDYANATH AIYER & CO.

sd/-
(M.P. THAKUR)
Partner
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI
DATED: 07.08.2000

STATEMENT OF RECEIPTS AND PAYMENTS ACCOUNT FOR THE FINANCIAL YEAR 1999-2000

		Amount (Rs.)
Receipts/Credits		
Opening Balance		
i) Cash and Bank Balance		
- Canara Bank S.B.A/c	2010685	
- Canara Bank C.A.A/c	35285	
- SBI - Current A/c	62660	
- SBI - SBI Chair A/c	28	
- SBI - NDFC A/c	3543269	
- SBI - NYFC A/c	1066	
- SBI - UNDP A/c	786538	
- Canara Bank-UNOPS A/c	1931773	
ii) Cash in Hand	14	
Postage imprest	3105	
		8374423
Deposits		35304920
Public sector Undertaking/Banks/Financial Inst.		
Receipts		
Government Grant in Aid		
- Central Government	15161753	
- State Government	1060000	
		16221753
Ford Foundation Grant/Interest		21378
Project Fees		28085575
Corporate Membership Fees		25000
Interest Earned		3473768
Recoveries		306142
Sale of Publication		124022
Miscellaneous Income		124720
Staff Welfare Fund		2704
Total Receipts		92064405

		Amount (Rs.)
Payments/Utilisation		
Staff Salary and Other Benefits		17643695
Expenses on Ford Foundation Grant		1165269
Expenses on Course and Programme		6583590
Library Books and Periodicals		2141234
Rent, Rates and Taxes		143561
Water and Electricity		880674
Printing and Stationery		620974
Repairs and Maintenance		2746704
Postage, Telegramme and Telephone		1000640
Car Running Expenses		260893
Printing and Cost of Publication		3859
Miscellaneous Expenses		1531462
Interest on Housing Loan to HDFC		74298
Refund of loan to HDFC		301686
Project Travel		3266922
Cost of Assets Purchase during the Year		4751443
Earnest money		190500
Closing Balance		
i) Cash and Bank Balance		
Canara Bank S.B.A/c	3413898	
Canara Bank C.A.A/c	57415	
-SBI - Current A/c	829189	
-SBI - SBI Chair A/c	28	
-SBI - NDFC A/c	3463312	
-SBI - UNDP A/c	822331	
-Canara Bank - UNOPS A/c	96700	
-Canara Bank - (S.A/c)	139200	
-ABN AMRO - Colombo	156670	
-SBI - NYFCA/c	1066	
ii) Cash in Hand	3641	
Postage imprest	7702	
		8991152
Deposits		
Public sector Undertaking/		
Banks/Financial Inst		39765849
		92064405

sd/-
Mrs H. Gautam
Accounts Officer

sd/-
Mr B.K.Chakravarti
Secretary

sd/-
Dr. Ashok Lahiri
Director

In terms of our report of even date
For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

sd/-
(M.P. Thakur)
Partner
Place: New Delhi
Date: 07.08.2000