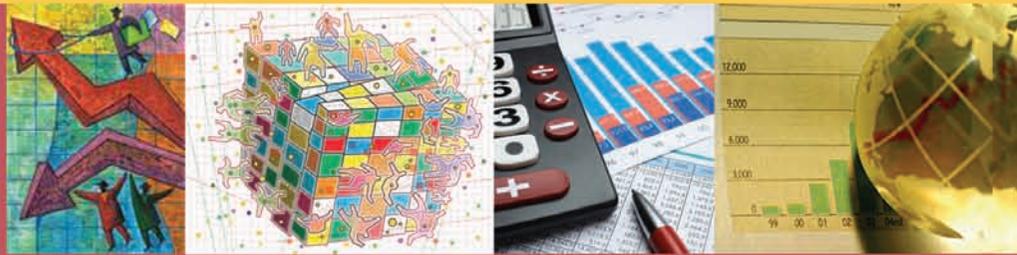


annual report 2007-08



**National Institute of Public Finance and Policy
New Delhi**

National Institute of Public Finance & Policy

ANNUAL REPORT 2007-08



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Contents

1. Overview	1
2. Research Activities	8
<i>Central Fiscal Studies</i>	
<i>State Fiscal Studies</i>	
<i>Local Fiscal Issues</i>	
<i>Human Development Gender, and Health</i>	
<i>Data Bank</i>	
<i>Collaborative Studies</i>	
3. Events, Workshops, Conferences, and Seminars.....	17
4. Training Programmes.....	22
5. NIPFP Publications.....	24
6. Library and Information Centre.....	25
7. Computer Unit.....	27
8. Highlights of Faculty Activities	28
9. NIPFP Staff.....	46
10. Sponsoring Members	46
11. Finance and Accounts.....	46
Annexures	
I. List of Studies 2007-2008.....	48
II. Internal Seminar Series.....	52
III. Members of Governing Body as on 31.3.2008.....	53
IV. List of Priced Publications.....	59
V. Published Material of NIPFP Faculty	64
VI. List of Staff Members as on 31.3.2008	72
VII. List of Sponsoring, Corporate, Permanent, and Ordinary Members.....	79
VIII. Finance and Accounts	81

1 Overview

In 2007-08, the National Institute of Public Finance and Policy (NIPFP) completed thirty two years of its contribution to policy research, advocacy, and capacity building in public finance and allied developmental areas. The Institute has continued its tradition of working with central and state governments through analysis and dissemination of critical macroeconomic and fiscal policy issues.

During the year, the NIPFP faculty took on a variety of advisory roles for the central and state governments to improve the policy environment. The Chairman NIPFP, C. Rangarajan, continued as one of the most influential policy makers in the country as the Chairman of the Economic Advisory Council to the Prime Minister. The Director of the Institute, M. Govinda Rao continued as a Member of the Economic Advisory Council to the Prime Minister. In addition, he was appointed as the Chairman of the Expert Committee on the Minimum Retail Price constituted by the Ministry of Consumer Affairs, Food and Public Distribution, Government of India. He is also the Chairman of the Steering Group



Ashok Lahiri, former Director, NIPFP felicitating Raja Chelliah

on Financial Resources appointed by the Bihar Development and Investment Promotion Council, Government of Bihar, and Member in the two sectoral groups set up as part of the 'Abiding Initiatives' of the Council. Indira Rajaraman, who superannuated from the Institute as RBI Chair Professor in August 2007, was nominated as Professor Emeritus at NIPFP. She was appointed as a Member of the Thirteenth Finance Commission. O.P. Mathur, Principal Consultant, gave his expert opinion to the National Review Committee on JnNURM headed by the Prime Minister. He also served as Member of the Technical Advisory Group, Ministry of Urban Development, National Core Group on Urban Poverty, and as Chairperson of the Steering Group on Vision Bihar, Emerging Urban Challenges, Government of Bihar. He undertook the preparation of a new Stamp Bill for Gujarat on behalf of NIPFP. Tapas Sen, Senior Fellow served as a Member on the Central Monitoring Committee on Debt Consolidation and Relief Facility, Ministry of Finance. Kavita Rao, as Member in the Working Group on States' Resources for the Eleventh Five Year Plan submitted the report of the Group; as also that of the Inter-ministerial Group on Recommendations of the Public Accounts Committee on Concessions for SSI units.

The high-table events for NIPFP during the year 2007-08 were the felicitation of its founder, Raja Chelliah upon conferment of **Padma Vibhushan** by the President of India in April 2007; the foundation stone laying ceremony for a new Research and Training Centre at NIPFP by Hon'ble Union Minister of Finance, P. Chidambaram in August, 2007; and the first public lecture on "Tax Challenges Facing Developing Countries" by Richard M. Bird in March, 2008 under the new Annual Lecture Series instituted by the NIPFP Governing Body.

Following the recommendations of the Peer Review Committee headed by Deepak Nayyar, NIPFP entered into a fresh Memorandum of Understanding with the Ministry of Finance. The Peer Review Committee has recognised the manifold contributions of the Institute and has recommended greater autonomy and finance to NIPFP. The MOU has conferred greater autonomy to the Institute and an additional corpus fund of Rs. 2 crore has been transferred to NIPFP.

The Institute conducted a number of training activities during the year under review. Over 750 Internal Revenue officials from the Government of Sri Lanka were imparted one week training on **Practical Issues of Tax Policy and Tax Administration in Developing**



Hon'ble Minister for Finance P. Chidambaram at the foundation stone laying ceremony

*Countries in over 16 training programmes spread over 9 months from April 2007 to December 2007. A training programme on **Budget Management** was conducted for senior officials from Government of Afghanistan. The Institute continued its efforts to contribute to the quality of teaching and research through a refresher training programme on **Public Finance in Theory and Practice** for College and University Teachers selected from all over the country, Other important training programmes included **Fiscal Policy and Public Finance** module training for probationers of Indian Economic Service, Indian Audit and Accounts Service, and **Tax Policy and Administration** for probationers of Indian Revenue Service and officers of the Commercial Tax Department, Government of Andhra Pradesh.*

To further the academic agenda of the Institute, the NIPFP signed an MoU with Indira Gandhi National Open University for initiating M.Phil and Ph.D programmes at NIPFP. This would entail recognition of NIPFP by IGNOU for conducting training in research methodologies, research in public economics and fiscal policy, environmental economics, political economy of public choice, and act as a precursor towards the goal of convergence of learning and open universities and provide for sharing of resources and academic.

At the behest of the Ministry of Panchayati Raj, the NIPFP conducted a national seminar, **Collection of Local Revenue by Panchayati Raj Institutions** to bring together policy sharing between the centre and various states along with specialised academia in this area. The Institute conducted a seminar to discuss the vision document prepared for the North Eastern Region **Urban Fiscal Decentralisation** was deliberated in a roundtable at Kochi, organised by the NIPFP. Participants included experts in the field ranging from senior bureaucrats to academia to representatives of multilateral donor agencies. In another half-day seminar at NIPFP, the **India Urban Report** was discussed where research findings were presented by NIPFP faculty as well as international experts. Six in-house seminars were also held at NIPFP during the year (List at Annexure II).

The Institute prepared a vision document for the Northeastern region, “Peace, Progress and Prosperity in the Northeastern Region: Vision 2020” at the request of Ministry for the Development of North Eastern Region (DoNER). Two consultation seminars were held, the first to discuss the research strategy for the preparation of the document, and the second to discuss the draft report. The seminar was attended by Hon’ble Minister for the North Eastern Region, Mani Shankar Aiyer, Members of the North Eastern Council, and several other experts including B. G. Vergese. At the initiative of the Ministry and the NEC, a series of consultation seminars were held in various parts of the northeastern region to discuss the draft report.

With a steep increase in capital flows into the country, maintaining the exchange rate at a competitive level on the one hand, and pursuing independent monetary policy on the other, are becoming challenging tasks. In this context, NIPFP entered into a collaborative research programme with the Department of Economic Affairs, Ministry of Finance on **Capital Flows and their Consequences**. This programme on Open Economy Macroeconomics and international finance is guided by an Advisory Board comprising of experts in the area and is chaired by C. Rangarajan. Under the programme, two major research seminars were organised by Ila Patnaik and Ajay Shah, Senior Fellows at NIPFP, and the participants included scholars from India and abroad.

C. Rangarajan submitted the report of the **Commission on AIDS in Asia** to the UN Secretary General on March 26, 2008 at New York. NIPFP prepared the vision document for the Northeastern region, “**Peace, Progress, and Prosperity in the Northeast: Vision 2020**”

was submitted to the NEC. After several rounds of public consultations and discussion, the document has been released by the Prime Minister on July 2, 2008 and is being adopted by the NEC for implementation. The Institute extended the study on **Financing Human Development in Selected States to Orissa and West Bengal**. The study was sponsored by the UNDP and the Planning Commission. The second annual conference in the subject of Financing Human Development was held to deliberate the findings of the two studies. NIPFP completed 5 working papers, including one in this emerging field of financing human development (List at Annexure I).

Several studies conducted by the Tax Research Unit focussed on aspects of Tax Policy Administration such as reform in the structure and administration of personal and corporate incomes, state level, and local level taxes. The Unit has also worked on design and implementation aspects of the proposed Goods and Services Tax (GST) and has worked out the revenue neutral rate. The focus of some of the studies was to assess the cost and efficiency of various exemptions and preferences.

An important study on **Strengthening Financial Management System** was completed at the request of the Administrative Reforms Commission. The Commission will finalise its recommendations on the subject, based on the report prepared by the NIPFP.

The Institute has completed and submitted the final report on **Rural Decentralisation and Participatory Planning for Poverty Reduction** for four states, namely, **Chattisgarh, Madhya Pradesh, Orissa, and Rajasthan** to the UNDP. A series of studies are undertaken for urban reform under the JnNURM. A study on fiscal health of selected Indian cities has been completed for the World Bank Institute. A draft report of the study was discussed in a seminar at Washington DC and the final report will be submitted soon. A report on the economics of tobacco and tobacco taxation in India has been completed in collaboration with an international team of scholars to assess the health impact of tobacco consumption. The study on **Inter-State Equalisation in Health Expenditures in Indian Union** was completed at the request of Ministry of Health and Family Welfare for the World Health Organisation (WHO). The study estimates health expenditure needs of different states in the Indian Union and works out the design and implementation strategy for equalising transfers from the union to the states. The Governments of Haryana and Goa have requested the Institute to assist them in monitoring the progress of these states in achieving the Fiscal

Responsibility Acts. Work on **Review of Haryana FRBM Act, 2005**; and monitoring the **Progress of the FRBM targets of the Government of Goa** have continued. At the request of the Finance Commission of Sri Lanka, NIPFP undertook a major study on **Fiscal Decentralisation in Sri Lanka**. In all, the Institute completed eleven studies during the year while another thirteen are in progress (List at Annexure I).

During the year, NIPFP published four monographs titled, **Tackling Poverty Constraint on Human Development: Financing Strategies in Madhya Pradesh; Financing Human Development in Tamil Nadu: Consolidating and Building Upon Achievement; Inter-State Equalisation of Health Expenditures In Indian Union; and Trapped in the Comfort Zone of Denial: 50 Years of Expenditure Management in India**. Other publications included the working papers and policy research papers on financing human development. The infrastructure in the NIPFP library and computer unit worked constantly in tandem with the research priorities of the academic staff.

The Governing Body of the Institute (List at Annexure III) met thrice during the year to steer the NIPFP in all major policy and critical administrative and academic matters, as well as to discuss the medium and long-term vision for research and policy advisory roles.

The foundation stone for the new building to house the Training and Research Programmes of the Institute was laid by the Hon'ble Finance Minister, P. Chidambaram. The construction of the building is in progress and is likely to be completed by August, 2008.

There were some changes in the faculty strength of NIPFP. Indira Rajaraman, RBI Chair Professor superannuated in August, 2007 and was subsequently appointed as Emeritus Professor. Rita Pandey proceeded on a long leave to join her family in the United States of America. Pinaki Chakraborty, Fellow, and Lekha Chakraborty, Senior Economist proceeded on a one-year leave to join Centre for Development Studies, Thiruvananthapuram. C. Bhujanga Rao, Senior Economist took leave from the Institute for one year to join the Madras School of Economics. Manish Gupta, Senior Economist took leave from the Institute to join the 13th Finance Commission. O. P. Bohra, Economist, joined the National Institute of Rural Development, on leave from NIPFP.

L. Gurumurthy, Secretary of the Institute, resigned from the Institute in December, 2007; Jai Mohan Pandit took over as Secretary in March, 2008. C. Rajaram joined the NIPFP as Accounts Officer.

Anit Mukherjee joined NIPFP as a Fellow. Simanti Bandyopadhyay, Manish Gupta, and Mita Choudhury, Economists, were selected as Senior Economists. Surajit Das, Rudrani Bhattacharya, and Jhumur Sengupta joined as Economists.

With sorrow, the Institute reports the passing away of Amaresh Bagchi, Professor Emeritus and former Director for almost 10 years. He made invaluable contribution to shaping the academic agenda and in fostering the research culture in the Institute. His contribution to fiscal analysis of the country and in building NIPFP will be remembered for long. He passed away while serving as Member in the Commission on Centre-State Relations, Ministry of Home Affairs.

2 Research Activities

During 2007-08, the NIPFP completed and submitted some projects to the sponsors, while a few new ones were started. Themes of these studies are outlined in the paragraphs below:

CENTRAL FISCAL STUDIES

COMPLETED STUDIES under TAX RESEARCH UNIT

- **Economic Development, Health, and Environment** (October 2007) A.L. Nagar and Sayan Samanta

This paper is an attempt to set up a 3-equation structural model for the Indian economy 1987-88 to 2002-03 linking three endogenous variables: GDP per capita; life expectancy at birth (LE); and CO₂ (Carbon dioxide emissions) with 28 predetermined variables. To overcome the problem of degrees of freedom (undersized samples), the predetermined variables by their principal components are replaced.

- **Updated Projections of Tax Receipts (CT & IT) for FY 2007-08** (January, 2008) A.L. Nagar, Sanjay Kumar and Sayan Samanta

Using actual tax receipts up to Dec. 31, 2007, the earlier projections of CT and IT receipts at the end of the FY 2007-08, and the forecast of personal income tax and corporation tax were revised and submitted to the Ministry of Finance.

- **Cost Benefit Analysis of Small Scale Industry Exemptions** (March 2008) R. Kavita Rao

This study, undertaken for the Tax Research Unit set up at NIPFP by the Department of Revenue, Ministry of Finance, focuses on the exemptions accorded to small scale units within the central excise regime. The objective of the study is to assess the impact of these exemptions on the units. The conclusion drawn first is that while there is agreement on the need for an exemption threshold, the form and level should be based on the rationale for providing the exemption, and second, the costs to the exchequer of this exemption clearly exceed the benefits derived by the intended beneficiaries, although they might fall short of the benefits derived by all beneficiaries.

ON-GOING STUDIES

- **NIPFP-DEA Research Program on Capital Flows and their Consequences**
C. Rangarajan, Ila Patnaik, and Ajay Shah

New insights into capital flows and their linkages with both finance and macroeconomics, in the new scenario of open market economy, are the need of the hour. Are traditional policy reflexes adequate? Or should India retreat back into a system of capital controls as prevalent a decade ago? Or should India move forward towards a mainstream policy framework, by international standards? These questions need to be addressed based on a combination of the theory of open economy macroeconomics and international finance, coupled with international experiences, and an examination of empirical evidence in India. At a practical level, the quest for answers to such questions consists of addressing a stream of small and tangible questions, where a persuasive answer can be obtained for a narrow and focused question that has an immediate salience. The NIPFP and the Department of Economic Affairs, Ministry of Finance, have collaborated to obtain new knowledge on these issues.

- **Strengthening Financial Management System** *A.K. Ghosh and Pratap Ranjan Jena*

The project report, undertaken for Administrative Reform Commission, will contain recommendations on capacity building in financial management systems at all levels of governance, smooth flow of funds for programmes, strengthening of internal audit systems, strengthening external audit systems, assessment of delivery systems, and the impact of programmes and budgetary systems.

- **Benefits of Housing Exemptions** *R. Kavita Rao*

This study was undertaken at the behest of Tax Policy and Legislations Unit, Department of Revenue, Ministry of Finance. It identifies the potential beneficiaries of exemptions targeting the housing sector, within the *Income-tax Act* and attempts to quantify the impact of such exemptions. The study also highlights the possibility that in the absence of a quick supply response, exemptions might contribute to an increase in real estate prices, eroding thereby the incentives provided to the buyer/investor. The study is likely to be complete by May, 2008.

- **Cost-benefit Analysis of Area Based Exemptions** *R. Kavita Rao*

This study for the Department of Revenue, Ministry of Finance, looks at the impact of exemptions given to the Northeastern states, Himachal Pradesh, and Uttaranchal on their economies. An attempt is made to assess the sustainability of these investments. Further, the study also asks the question whether the investments in these states are a result of diversion of investment from elsewhere. If it is the latter, it could result in a reversal of flows at the end of the incentive period, since the underlying costs associated with functioning in these states would not have been corrected for. The background work for this project has been completed. A field visit is now being undertaken.

STATE FISCAL STUDIES

ON-GOING STUDIES

- **Review of Haryana FRBM Act, 2005** *M. Govinda Rao and Pratap Ranjan Jena*

The study is aimed at conducting periodical review of the compliance of the provisions of the *Haryana FRBM Act, 2005*.

- **Monitoring the Progress of the Government of Goa in achieving the FRBM targets, drafting of rolling Medium Term Fiscal plan and disclosures in prescribed format for better transparency** *M. Govinda Rao and Pratap Ranjan Jena*

To conduct periodical review of the compliance of the provisions of the *Goa FRBM Act, 2006*.

- **Rajasthan: A Report on Cost under-Recovery and User Charges in Selected Services** *Mukesh Kumar Anand*

The report is comprised of two parts. Part-I of the report is complete, and relates to estimates of under-recovery at aggregate (sectoral) level for four sectors namely, drinking water, irrigation, power, and road transport. A presentation was made on this part for government officials in Rajasthan. Median under-recovery rate for drinking water, irrigation, power, and road transportation turned out (approximately) to be respectively 50, 90, 83, and 100 percent. Further, revenue gap, on an average, accounts for 69, 80, 77, and 18 percent of under-recovery respectively in drinking water, irrigation, power, and road transport services. Between 1990-91 and 1999-00 combined under-recovery remained below two percent of GSDP, except in 1992-93

and 1993-94. However, ever since this proportion has averaged 2.38 percent of GSDP, aggregate under-recovery appears to be ratcheting up. Part-II of the report pertains to certain identified services in each of the sectors. The project is commissioned by the Finance Department, Government of Rajasthan.

STATE DEVELOPMENT STUDIES AND VISION DOCUMENTS

COMPLETED STUDIES

- **Peace, Progress, and Prosperity in the Northeastern Region: Vision 2020** (December 2007) *M. Govinda Rao, Rita Pandey, Gautam Naresh, Anuradha Bhasin, Alokesh Barua, and Manoj Pant.*

The study articulates the vision for the North Eastern Region as bringing about “Peace, Progress and Prosperity” to the people. The vision is articulated as catching up with the average standard of living of the people of the country in 2020, removal of poverty, empowerment of the people with human development with capabilities to earn their freedoms, ensuring participatory governance to have a stable, secure, peaceful, and prosperous society. A detailed strategy for realizing the vision is put forward.

The report has been submitted in 3 volumes. While Volume I contains the theme and is named “Peace, Progress, and Prosperity in the North Eastern Region”, the other volume covers sector-wise detailed analysis to know how to achieve the goal. Therefore Volume II is titled, “Goals, Challenges, Approach, and Strategy”, and Volume III is an Annexure to that. The study suggests six-pronged integrated strategy: (i) political and economic empowerment of the people through decentralised governance and grass-root planning to harness the natural resource advantages of the region; (ii) creation of development opportunities for the majority of people living in villages through rural development initiatives encompassing acceleration in agricultural growth and creation of non-farm employment and economic activity in rural areas; (iii) developing sectors with comparative advantage to productively utilise the resources of the region for the benefit and welfare of the people; (iv) capacity development of the people including skill development and institutions to design and implement development strategy and to participate effectively in political and governance processes; (v) creation of an investment climate by providing the state-of-the-art infrastructure, especially facilitating connectivity both within the region, and with the rest of the world and translation of the “look east” policy for the benefit of the region to ensure proactive governance; and (vi) ensuring adequate resources for public investment in infrastructure, implementing

a framework for private participation in augmenting infrastructure and creating an enabling environment for the flow of investments to harness the physical resources of the region for the welfare of the people.

The final report was submitted in December, 2007.

LOCAL FISCAL ISSUES

COMPLETED STUDIES

- **Tracking the Urban Reform Agenda under the JnNURM** *O.P. Mathur*

The Jawaharlal Nehru National Urban Renewal Mission (JnNURM) requires cities applying for assistance to lay down a time schedule for implementing the proposed reform agenda. The reform agenda consists of reforms that are to be undertaken by: urban local bodies (ULBs), and state governments. The time schedule (highlighting the milestones to be achieved) is incorporated in the Memorandum of Agreements (MoAs) signed by state governments, ULBs, and the Ministry of Urban Development.

The NIPFP was entrusted with the task of tracking the urban reform agenda in 20 JnNURM cities. This task has been completed for all cities, excepting Delhi and Panjim (Goa), and reports have been submitted to the Ministry of Urban Development. The Governments of Delhi and Goa got delayed in signing the MoAs, therefore have recently begun to act on the reform agenda. The NIPFP expects this work to continue in the fiscal 2008/09.

- **Stamp Bill for Gujarat** *(September 2007) O.P. Mathur*

At the request of the Government of Gujarat, the NIPFP undertook the preparation of a new Stamp Bill for Gujarat. A Draft Stamp Bill was accordingly prepared with the assistance of an external consultant, and submitted to the state government in September, 2007.

Discussions on the Draft Stamp Bill took place in Ahmedabad on 15 November, 2007; the state government has directed the concerned officials to peruse the Bill, Article by Article, and send comments to NIPFP so that the Draft Bill can be finalised.

- **Rural Decentralisation and Participatory Planning for Poverty Reduction** (December 2007) *Indira Rajaraman, C. Bhujanga Rao, Pratap Ranjan Jena, O.P. Bohra, and Manish Gupta*

Fourteen years after the mandating of a third tier of government at local level by a constitutional amendment in 1993, this study reports on how decentralised government is functioning in the rural areas of four states (pre-selected by the terms of the UNDP mandate): Chhattisgarh, Madhya Pradesh, Orissa, and Rajasthan. The report quantifies the present state of functional devolution from figures of expenditure assignment using Budget Estimates of the four states for the fiscal year 2006-07; fund flows from the centre based on the central budget for fiscal year 2006-07; and the utilisation of these receipts by PRIs, along with own revenues collected and the state of fiscal monitoring, based on a field survey of 780 sample *gram panchayats*, 78 *janpad panchayats*, and 17 *zilla panchayats*. The seventeen districts covered comprise the initial set of nine backward districts pre-selected by UNDP and an additional eight districts with lower deprivation characteristics.

- **Improving the Fiscal Health of Large Cities: Evidence from India** (February 2008) *Kala S. Sridhar, Simanti Bandyopadhyay, and Satadru Sikdar*

The primary objectives of the project were to compute expenditure needs (estimated in the case of Kolkata, but computed in the case of other cities due to lack of data), revenue capacities and come up with fiscal gaps faced by these cities in the provision of core urban services such as water supply, sewerage, sanitation, solid waste, municipal roads, and street lights for all local governments within these urban agglomerations. For estimating revenue capacities, the non-agricultural district domestic products for the districts in which the local governments were located, were used. For computing expenditure needs, standard norms on what is acceptable for expenditure on various public services were used, and gaps between desired and actual expenditure were arrived at. The difference between the actual expenditure gaps and the potential revenue capacity was computed as the fiscal gap. Six reports were submitted to the World Bank for each of the cities -- Kolkata (in June 2007), Delhi, Pune, Hyderabad (in December 2007), Chennai, in addition to a synthesis report (in February 2008).

ON-GOING STUDIES

- **Standing Committee of State Secretaries of Stamps and Registration** *O.P. Mathur*

This is a permanent cell based at the Institute. The objective is to service the Standing Committee of State Secretaries and prepare notes and papers for discussions in the meetings. A meeting of the Committee took place on May 11, 2007.

- **Preparation of a National Report on State of India's Urbanisation** *O.P. Mathur*

Work on the preparation of the Report continued in the financial year 2007/08. A Summary Assessment Report on India Urban Report was presented at a meeting held on June 27, 2007, at the NIPFP. The meeting was moderated by Montek S. Ahluwalia, Planning Commission. Suggestions were given to include a section on climate change and cities as also one on the future of urbanisation. These aspects are being incorporated and the report is expected to be finalised by July, 2008.

HUMAN DEVELOPMENT, GENDER, AND HEALTH

COMPLETED STUDIES

- **Inter-State Differences in Health Expenditure: Designing and Implementing an Equalisation Scheme** *M. Govinda Rao and Mita Choudhury*

This study attempts to design a scheme for transfer of resources from the centre to states to enable them to provide certain minimum standards of health services. Specifically, two alternative approaches are being explored using data from 15 major states in India. The first approach involves estimation of the expenditure requirements according to the physical norms prescribed by the Ministry of Health and Family Welfare along with other policy goals. The second approach attempts to estimate an expenditure function and use it to analyse the differences in the required expenditure of the health sector across states.

- **Independent Commission on AIDS in Asia** *(March 2008) C. Rangarajan and Anit N. Mukherjee*

The Commission on AIDS in Asia was constituted to review the scientific evidence on the spread of HIV in Asia and assess its medium-and-long-term impact on economies and societies in the region. The Report of the Commission prepared under

the chairmanship of C. Rangarajan was handed over to the UN Secretary General at the UN Headquarters in New York on March 26, 2008. The Commission proposes practical measures to halt and reverse the spread of HIV and mitigate its impact. The secretariat of the Commission was based at NIPFP; and also provided research support for preparing the report.

ON-GOING STUDIES

- **Globalisation, Gender, and Taxation: Improving Revenue Generation and Social Protection in Developing Countries** *Pinaki Chakraborty and Lekha S Chakraborty*

Sponsored by IDRC Canada and Ford Foundation, this is a cross-country collaborative project in co-ordination with University of Kwa-Zulu-Natal, South Africa, and American University, Washington DC. The Levy Economics Institute of Bard College, New York, was also a co-partner in the project. The project focuses on the design and reform of tax systems to finance social projection programmes and to assess how they can be made more equity intervening. The project report was presented at UN DESA meetings, IDRC panel meetings in Canada, project meetings at Argentina, Morocco, and South Africa during the last fiscal year.

- **Financing Human Development in Selected States** *Tapas K. Sen, H.K. Amarnath, Anit N. Mukherjee, Mita Choudhury, Protiva Kundu, Sandeep Biswal, Narendra Jena, Krishanu Karmakar, and Surajit Das*

The main objective of this research study sponsored by the Planning Commission with UNDP India is to assess the status of human development in India against stated goals (state level/national/MDGs), estimate the costs of covering the remaining part, and suggest ways of bridging the financial resource gap including ways of devising fruitful partnerships between the government and the private sector. Apart from a national overview, the study is expected to cover eight selected states in greater detail. Two state reports for Orissa and West Bengal were completed during the year. The first of these reports was presented before the sponsors and the concerned state government, and is being finalised for publication. Work on three other states – Chhattisgarh, Rajasthan, and Himachal Pradesh – is underway, and the preliminary drafts for the first two states are likely to be completed soon. Under the project, one working paper and one policy brief were also published during the year. The Second Annual Conference on Financing Human Development was organised during the year, where the research

team made presentations for six states on which work is fully/substantially completed. Invited presentations included those by Madhav Chavan, Director of *Pratham* and Barun Kanjilal of *Institute of Health Management Research*.

- **Economics of Tobacco and Tobacco Taxation in India** *Govinda Rao, R. Kavita Rao and Jhumur Sen Gupta*

The study undertaken jointly with Public Health Foundation of India and International Tobacco Health Research Network, aims to collate information on the health impact of tobacco consumption, and analyse the costs and benefits of discouraging consumption of tobacco. It also analyses the tax structure facing this industry and explores the potential for taxation as a tool to achieve this objective. An initial draft of the work undertaken by the Institute has been submitted. The study is expected to be completed by May-end 2008.

COLLABORATIVE STUDIES

COMPLETED STUDIES

- **Strengthening Fiscal Decentralisation in Sri Lanka** *M. Govinda Rao, Tapas K. Sen, R. Kavita Rao, and D.K. Srivastava*

Work on this project is substantially completed in that that the draft final report has been submitted and has also been presented at a conference in Colombo. The study deals with decentralisation in Sri Lanka primarily with respect to provincial councils, the second tier of government. It examines the pattern of expenditures and their financing at the provincial level, the assignment of revenue (tax) handles, and the system of intergovernmental transfers in order to provide suggestions for improving the equity and efficiency of the system. It argues for a better defined role of provincial councils in the delivery of services, a more rational and predictable system of intergovernmental transfers that constitute the primary source of funds for the provinces, and suggests alternatives to the present tax system – particularly with reference to indirect taxation – that would be more efficient. The study does not recommend borrowing powers for provinces at the present juncture owing to financial weaknesses.

As part of the work for this study, two training programmes for Sri Lankan officials including those from the provincial councils as also from the Finance Commission were conducted at the Institute during November-December, 2007.

DATA BANK

ON-GOING STUDIES

- **Public Finance Information System** *Tapas K. Sen, Diwan Chand, and Geeta Bhatnagar*

This database, an ongoing effort under State Finance Unit, includes data on state government finances in some detail (sourced primarily from Finance Accounts of respective states). It has been fully updated now (till 2005-06, starting 1987-88), and regular updation work is undertaken as and when recent data become available. Primarily meant for in-house use and to avoid duplication of effort on collection of budgetary data, attempts are underway to make it more user-friendly.

3 Events, Workshops, Conferences, and Seminars

- On April 4, 2007, Director, faculty, and staff of NIPFP felicitated Raja J. Chelliah at NIPFP on the conferment of *Padma Vibhushan* on him by the President of India. The function was attended by his old associates from the academic community, comrades, and NIPFP staff. Many of the participants felicitated Raja Chelliah by way of short speeches.
- After obtaining necessary approvals from the Municipal Corporation of Delhi, construction work for building a Training-cum-Research Centre was started on the vacant plot adjacent to NIPFP's main building. The foundation stone for the Research and Training Centre was laid by P. Chidambaram, Hon'ble Union Finance Minister on August 6, 2007. The programme was chaired by C. Rangarajan, Chairman, NIPFP. The proposed centre is meant to cater to the Institute's requirement of capacity building programmes for officials of central, state, and local governments from India and abroad.
- The Governing Body of NIPFP has instituted an Annual Lecture Series at the Institute. The first public lecture under the series was delivered by Richard Bird, Professor

Emeritus, Department of Economics and Adjunct Professor and co-Director of the International Tax Programme, University of Toronto on “Tax Challenges Facing Developing Countries”. The event was presided over by C. Rangarajan, Chairman NIPFP and Chairman, Economic Advisory Council of the Prime Minister at ASSOCHAM House, New Delhi, on March 12, 2008. The lecture, followed by a lively interaction, was attended by civil servants, academicians, NGOs, and corporate people.



Richard Bird (centre) C. Rangarajan (right) M. Govinda Rao (left) at the Annual Lecture Series programme at New Delhi

- The NIPFP was entrusted with the task of preparing a Vision Document 2020 for the Northeastern region. The main task of the document is to formulate a common development strategy for the northeast region of India so that it can catch up with the level of per capita income of the nation by 2020 in a sustainable manner. The Draft Vision Document was first discussed in a meeting on October 12, 2007 with updates on various sectors from policymakers in concerned central ministries. The Draft Vision Document was subsequently discussed in a Steering Committee meeting/workshop on October 13, 2007 at NIPFP. Participants at the workshop included the Hon'ble Minister of Development of NER, Mani Shankar Aiyar, members of the Steering Committee; senior bureaucrats and policymakers from the centre and states; representatives of the World Bank; eminent academicians; Director and faculty of NIPFP.

- The NIPFP organised a roundtable conference on *Urban Fiscal Decentralisation* at Kochi during April 12-13, 2007. The aim was to deliberate on the structuring of the intergovernmental finance system to strengthen the finances of ULBs. The Finance Minister of Kerala, Thomas Isaac, inaugurated the roundtable and presented a paper titled, “Certain Disquieting Thoughts on Urban Fiscal Decentralisation Experience in India”. The roundtable was chaired by B.N. Yugandhar, Member, Planning Commission; the discussions moderated by M. Ramachandran, Secretary, Ministry of Urban Development. Participants included Urban Development Secretaries of state governments, experts from the World Bank, UNDP, Water and Sanitation Programme, Cities’ Alliance, and experts in the field.
- A half-day seminar was held at the Institute on June 27, 2007, to discuss the *India Urban Report*. M. Ramachandran, Secretary, Ministry of Urban Development; and H.S. Anand, Secretary, Ministry of Housing and Urban Poverty Alleviation were present. Montek S. Ahluwalia, Dy. Chairman, Planning Commission moderated the discussion.
- The Institute, in collaboration with the Ministry of *Panchayati Raj*, organised a national seminar on *Collection of Local Revenues by Panchayati Raj Institutions* during July 6-7, 2007, at the NIPFP auditorium. M. Govinda Rao, Director welcomed



Montek S. Ahluwalia, Dy. Chairman, Planning Commission and M. Govinda Rao Director NIPFP at a half-day seminar to discuss the India Urban Report



India Urban Report being presented by Om Prakash Mathur

the guests. Secretary, *Ministry of Panchayati Raj*, Meenakshi Datta Ghosh, presented the introductory remarks. The inaugural address was delivered by Pawan Bansal, Minister of State for Finance. The seminar was attended by members from the Planning Commission; Secretaries from central government ministries, Secretaries/Principal Secretaries/Directors from *Panchayati Raj* departments of the states, academics and faculty of NIPFP. Additional Secretary, Ministry of *Panchayati Raj* gave the vote of thanks.

- During February 27-28, 2008, the Institute organised its Second Annual Conference on *Financing Human Development States in India* under the ongoing Financing Human Development research programme at NIPFP sponsored by the Planning Commission and UNDP. The objective of the conference was to analyse the status of human development in the selected states of Madhya Pradesh, Tamil Nadu, Orissa, West Bengal, Rajasthan, and Chattisgarh. Abhijit Sen, Member, Planning Commission inaugurated the conference. Participants included academics, NGOs working in the area of development, and NIPFP researchers working in the project.
- The National Institute of Public Finance and Policy and Department of Economic Affairs (DEA) have collaborated to work on a research programme on **Capital Flows and their Consequences** to bring out new insights on Indian open economy, macroeconomics, and international finances. The activities of the programme are

governed by an advisory board comprising eminent policymaker and academic and chaired by C. Rangarajan, Chairman, NIPFP, and Chairman Economic Advisory Council to the Prime Minister. Research Associates hail from top IVY league universities and research organisations of US and India. Under the programme, two research conferences took place during 4-5 December 2007; and 27-28 March



Hon'ble Minister for Panchayati Raj, Mani Shankar Aiyer (extreme right) at the national seminar on Collection of Local Revenues by Panchayati Raj Institutions;
Below : Pawan Bansal Minister of State for Finance and Meenakshi Dutta Ghosh, Secretary, Ministry of Panchayati Raj



2008 at NIPFP and India Habitat Centre, respectively. Three stimulating talks were also organised under this project, including one delivered by John Gieve, Deputy Governor of the Bank of England.

As in the past years, 6 in-house seminars were organised during the year. The speakers were, Emil M. Sunley, from the International Monetary Department; Joshua Felman, IMF Delhi; Sir John Gieve, Bank of England; Sanjit Dhami, University of Leicester, U.K; and Enid Slack, University of Toronto, Canada, in addition to a seminar given by Ajay Shah, Senior Fellow, NIPFP (complete list at Annexure II)

4 Training Programmes

During the year under review, the NIPFP organised several training programmes on *Practical Issues in Tax Policy* and *Tax Administration in Developing Countries*, to officials from the Revenue Department, Government of Sri Lanka. A series of 10 training modules on the above subject were held at NIPFP in 2007-08. In addition, two programmes on *Fiscal Decentralisation* were also conducted for the officials of the central and provincial governments at the behest of the Government of Sri Lanka. Details are given below:

Programme	Date	No. of Participants
Practical Issues in Tax	April 23-27, 2007	40
Policy and Tax Administration	May 21-25, 2007	40
	June 25-29, 2007	40
	July 9-13, 2007	40
	July 23-27, 2007	40
	August 20-24, 2007	40
	September 10-14, 2007	40
	September 24-28, 2007	39
	October 8-10, 2007	39
	November 12-16, 2007	34

Fiscal Decentralisation	November 19-23, 2007	40
	December 10-14, 2007	40

NIPFP's calendar of training programmes also included:

- Training Programme on *Reforms in Budget Management System* during November 14-22, 2007 for senior officials of the Budget Department of the Ministry of Finance, Government of Afghanistan. The course had 27 participants.
- Training Programmes (2) on *Financial Management and Public Policy* for probationers of the Indian Revenue Service (Excise and Customs). The programmes, of two-week duration each, held on April 9-20, 2007; and November 26 - December 7, 2007, catered to 45 and 59 participants respectively.
- Training Programme on *Fiscal Policy* for a batch comprised of 8 Indian Economic Service probationers during May 14-18, 2007.
- 3-week Training Programme on *Public Finance* for probationers of Indian Audits and Accounts Service, January 21-February 8, 2008. In addition to the 9 service probationers of IA&AS, the National Academy of Audits and Accounts, Shimla, sponsored 3 candidates from the Sultanate of Oman and 3 from the Royal Government of Bhutan.
- Third Refresher Course on *Public Finance* for College and University Teachers from across the country was sponsored by the World Bank. The objective of the course was to improve the analytical capabilities of the teaching and research staff in the area of public finance. 30 academics attended the course at NIPFP during May 28-June 22, 2007.

5 Nipfp Publications

The Institute continued to disseminate its research findings in the area of public economics. During 2007-08, the following four monographs were brought out as NIPFP publications:

- *Tackling Poverty Constraint on Human Development: Financing Strategies in Madhya Pradesh;*
- *Financing Human Development in Tamilnadu: Consolidating and Building Upon Achievement;*
- *Inter-State Equalisation of Health Expenditures in Indian Union; and*
- *Trapped in the Comfort Zone of Denial: 50 Years of Expenditure Management in India.*

NIPFP's published output included four working papers besides one working paper under the Financing Human Development project (Details at *Annexure IV*). Under this project, one *Policy Brief* focussed on "Universalising Elementary Education: An Assessment of the Role of *Sarva Shiksha Abhiyan*" was also published.

Director's column in the bi-annual newsletters highlighted the prevailing Indian scenario and major academic activities undertaken by the faculty of the Institute.

The Annual Report 2006-07 compiled complete details of the academic, administrative, and accounts activities of NIPFP. Copies of the Annual Report were sent to the Ministry of Finance for being tabled in the Parliament during its winter session.

6 Library and Information Centre

The Institute's Library and Information Centre is being maintained as one of the finest repositories of readings on public finance and policy in South Asia. Scholars and professionals can access the library through their identity cards or by way of introductory letters on all working days except government holidays. The library has a comprehensive collection of literature predominantly related to public economics and allied subjects. The library activities are by and large computerised with usage of *Libsys* – an integrated library software package. During 2007-08, the library added 1598 new documents and 450 working papers to its collection. Most of the working papers were received on complimentary and exchange basis from national and international research organisations. In addition, the library received 143 CD-ROMs consisting of journals, articles, reports, and statistical datasets besides several CD-ROMs attached with various books and reports.

To facilitate access to resources outside the NIPFP library, and to promote networking with reputed libraries, an institutional membership of selected libraries has been acquired. Arrangements for inter-library loan facilities with other major libraries have also been worked out. Through this arrangement, the library borrowed 64 documents from other libraries and lent out 166 documents. More than 2110 external research scholars and government officials visited the library during the year under review.

PERIODICAL SUBSCRIPTION

The library subscribes to 405 journals including newsletters and bulletins from various finance related organisations. Of these, 172 journals are subscribed to, and 70 journals are received on *gratis*.

The library continues to subscribe to the e-journal from *Science Direct Elsevier BV*, and *JSTOR*. Abstract and indexing journal database of EconLit (Journal of Economic Literature) database is accessed through CD-ROMs. *EconLit* database is updated on a monthly basis.

CAPACITY BUILDING

In 2007-08, some of the staff members of the NIPFP library were trained on *Digital Library Open Source* software, *DSpace* and *GSDL*. Furthermore, some members of the library staff

participated in national and internal seminars and conferences to abreast themselves with latest technology in the field of library service.

HYBRID LIBRARY MOVEMENT

- Collection development policy is encouraged – to acquire statistical data through online electronic form or in CD-ROM for the purpose of CMIE database, *Capex*, *Prowess*, SAS database, IMF – Balance of Payments, Direction of Trade Statistics, Government Finance Statistics, International Financial Statistics etc.
- Media Clippings Digital Library was created through GSDL to retain the press clippings pertaining to the Institute and faculty members.
- NIPFP-IR, an institutional repository, set up through D-Space Open Source software, is being run on a trial basis through intranet at <http://ir.nipfp.org.in>
- E-journal subscription access and archival method training was imparted to interested professionals in the library through *Science Direct*, *JSTOR* and websites of reputed journals.

LIBRARY SERVICES

The library brings out several publications such as current awareness services of new editions and current content alert. Major services rendered by the library also pertain to reference, reprographic, bibliographic, document delivery, data search facilities, inter library loans, and resource sharing with other libraries. The NIPFP library maintains network arrangements with libraries of leading institutions to offer reference, indexing, and bibliographic services.

REPROGRAPHIC SERVICE

Approximately 93,500 photocopies were reproduced in the library during the year 2007-08.

7 Computer/IT Unit

The Computer network at NIPFP is continuously augmented to provide support service to researchers as well as other functionaries of NIPFP, viz. Accounts, Administration, Auditorium, Library, and Publications. The old systems were replaced by HP Compaq P4 Desktop model Dx2280 (10 in number), 10 of Desktop Celeron based model D-290M in addition to 10 Desktops vista based model Dx3780MT. Besides these, 2 Notebook HP Compaq model 8510P, and 3 of UPS .650 kva model Elenova were procured. The Institute also procured one hardware trend macro for protection against spam mail.

The computer network of the Institute now adds up to a total of 7 servers, 109 Pentium, i.e., P-II, P-III, Celeron and P-4 Desktops, 11 Notebooks, 68 UPS and 33 Printers. The mail server is being maintained by *M/s Velosis Systems* while the computer staff caters to the annual maintenance of computer network, hardware, and software.

The Institute's own domain is accessible at **nipfp.org.in**, and the website address is **http://www.nipfp.org.in**. The management of the website is being supervised by a website committee headed by a chairman with four members. The website reflects the objectives and main activities of the Institute, indicates research interests of NIPFP faculty alongwith their detailed curriculum - vitae, and continuously updates the lists of publications, working papers, and major research reports produced at the Institute.

Data Bank Development (DBD) is a continuous activity at the NIPFP computer centre. Specialised software have been made available to the Library and Accounts Department to support their activities. Technical support is provided by way of *LIBSYS*, *RMS*, *Prowess* and *EconLit* and *DSPACE* Institutional Repository System developed at the Institute and the address is **http://ir.nipfp.org.in**. The Accounts Department uses the *EX* and *Payroll* software.

The Computer Unit is functioning under the overall policy guidance rendered by a computer committee. In addition to the EDP Manager, the computer staff consists of a Research Officer (Communication), and a Superintendent (Computers).

8 Highlights of Faculty Activities

Besides their involvement in the Institute's project activity, the academic staff of NIPFP also made contributions by way of participation in seminars, workshops, and conferences, delivery of guest lectures in other institutions, and coordinating training courses at NIPFP. Members of the faculty were called upon to render advice in the 13th Finance Commission; JnNURM consultations, Stamp Registration activities, and other government committees and expert groups. Notable activities of the professional staff are summarised in the following paragraphs. Details of their published work are seen in Annexure V.

C. Rangarajan, Chairman NIPFP, continued to be Chairman, Economic Advisory Council to the Prime Minister, and Chairman, Madras School of Economics. As Chairman of the **Commission on AIDS in Asia**, he submitted its report to the UN Secretary General at New York in March, 2008. The Commission was constituted to review the scientific evidence on the spread of HIV in Asia and assess its medium and long term impact on economies and societies in the region. The secretariat of the Commission was based at NIPFP and a member of the NIPFP faculty provided research assistance.

As in the past, C. Rangarajan was invited to deliver lectures at diverse venues: inaugural address at a roundtable discussion organised by Bombay Chamber of Commerce and Industry; First R.K. Talwar Memorial lecture at Indian Institute of Banking and Finance; Inaugural Address for the Corporation Bank Chair in Bank Management at Mangalore University; Valedictory Address at the 19th Annual Convocation 2007 at IIM, Kolkata; Convocation Address at Birla Institute of Management and Technology; Inaugural Address at the 19th Annual Conference of the Indian Economic Association at Srinagar; Inaugural Address at a workshop at National Institute of Rural Development, Hyderabad; Convocation Address at Jadavpur University, Kolkata; Keynote Address at Fifth Annual ICRA Mutual Funds function at Mumbai; and 10th Convocation Address at Sri Rama Chandra University, Chennai.

M. Govinda Rao, Director NIPFP, is in charge of all activities of the Institute – academic and administrative. He presented his views on the prevailing Indian economic scenario and on the academic and allied activities of NIPFP in the biannual newsletters of the Institute.

In the three Governing Body/General Body meetings that took place during the year, Govinda Rao presented progress reports of the construction of the Research and Training Centre underway at NIPFP, the administrative and academic milestones achieved, and the targets set for the future. He collaborated with members from NIPFP faculty to complete three major projects, namely, **Inter-State Differences in Health Expenditure: Designing and Implementing an Equalisation Scheme**, sponsored by WHO and Ministry of Health and Family Welfare; **Peace, Progress, and Prosperity in the Northeastern Region: Vision 2020**, sponsored by the North-East Council, Shillong; and **Strengthening Fiscal Decentralisation in Sri Lanka** under the aegis of Fiscal Management Reforms Programme of the Ministry of Finance and Planning, Govt. of Sri Lanka. His ongoing project activities include **Review of Haryana FRBM Act, 2005**; and **Monitoring the Progress of the Government of Goa in achieving the FRBM targets, drafting of rolling Medium Term Fiscal Plan and disclosures in prescribed format for better transparency** at the behest of the two respective state governments.

Outside of his project work, he was called upon to render advise in the emerging areas vital for country's economic growth. He was appointed Chairman, Expert Committee to Review and Suggest Best Method of Declaration of Retail Sale Price on Pre-packed Commodities – Legal Metrology Unit, Ministry of Consumer Affairs, Government of India; member, in two sectoral groups, namely, Easing Credit Flows; and Alleviating Poverty: Keeping Growth Engines under “Abiding Initiatives” set up by the Bihar Development and Investment Promotion Council, Government of Bihar; Board of Post Graduate Studies of Department of Economics, Babasaheb Bhimrao Ambedkar University, Lucknow; Research Advisory Board of Madras School of Economics, Chennai; Audit Committee and on Board of Directors Rural Electrification Corporation, New Delhi. He was also a non-official part-time Director on the Board of Rural Electrification Corporation, Ministry of Power, Government of India.

His policy advisory role is also reflected in the presentations made by him in important forums: “Expanding the Resource Envelop of *Panchayats*: Augmenting on Revenues” at a national seminar by NIPFP and Ministry of *Panchayati Raj* at NIPFP; “Goods and Services Tax” before a Joint Working Group from all states and UTs at the Delhi Secretariat; “Fiscal and Monetary Linkages” at the High Powered Macroeconomic workshop for Chairmen and EDs of PSU banks and financial institutions; “Fiscal Decentralisation under Federal System: Experience from Developing Countries” at an international seminar by the National Planning Commission and ADB, at Kathmandu, Nepal; “Supporting Inclusive

Growth–Financial Requirements and Fiscal Space” at Forum on Inclusive Growth and the New Poverty Reduction Agenda in Asia and the Pacific, ADB headquarters at Philippines; “An Assessment of Indian Public Finance Policies” at a Capacity-Building Programme by Research and Information System for Developing Countries, New Delhi; and “Spillovers from India’s Northeast Provinces to Neighbouring Countries”, at a ADB-ICRIER seminar in New Delhi. He was a panel discussant on “Roadmap to GST” for National Academy of Customs, Excise and Narcotics at SCOPE, New Delhi; and in a session on “Budget 2008: Implications for Reforms” at ADB, New Delhi.

The World Bank retained him as a member on an Independent Evaluation Group to evaluate fiscal decentralisation reform in the Russian Federation for two weeks. The UNDP appointed him an International Consultant to visit Bhutan, and Sri Lanka for a week each to assist their governments in developing Millennium Goals financing strategy.

M. Govinda Rao’s expertise in public finance led him to be invited at diverse venues in India and abroad as participant in workshops, in guest of honour capacity, to deliver lectures, give addresses – keynote, valedictory, inaugural, to chair and participate in many national and international forums: workshop on *International Taxation and Development*, Initiative for Policy Dialogue, Columbia University and Ford Foundation at New York City; National University of Singapore, at Singapore; School of International Studies, Jawaharlal University; Sri Venkateswara College, New Delhi; Centre for Development and Peace Studies, Guwahati; Nirma University of Science and Technology, Ahmedabad; UNDP Regional Centre, Colombo, Sri Lanka; IGNOU, New Delhi; Institute of Economic Growth and NCAER - NBER Annual Retreat Neemrana Fort Palace Resort, Neemrana. He delivered as many as 49 lectures in addition to three inaugural addresses at the eighteen training courses organised by NIPFP during the year – for probationers of IRS; IES; IA&AS; officials from Commercial Tax Department, Government of Andhra Pradesh; officials of the Government of Sri Lanka; senior officials of the Government of Afghanistan; and College and University Teachers from across the country.

His publications during the year included a monograph by NIPFP; eight chapters in edited volumes and one article in an international journal. He has been a regular columnist with *Business Standard*, writing every month on contemporary policy issues.

M. Govinda Rao was a participant in a group discussion on Union Budget 2008-09 along with the heads of Indian Council for Research in International Economic Relations, National Council for Applied Economic Research, Indian Development Foundation, and

Centre for Policy Research at ASSOCHAM House, New Delhi; and was consulted by TV channels on Budget 2008-09 and post-budget analyses.

Raja J. Chelliah, Professor of Eminence at NIPFP, and Madras School of Economics, was a recipient of the prestigious *Padma Vibhushan Award* of the Government of India. He received this honour from the former President of India, Hon'ble APJ Abdul Kalam in an award ceremony at the Rashtrapati Bhawan, New Delhi on April 4, 2007.

The NIPFP organised a function to felicitate Raja Chelliah on the occasion. Many of his old associates and comrades participated in the felicitation programme. They honoured him by way of short speeches.

During the year under report, he published a co-authored paper, "Eco Taxes on Polluting Inputs and Outputs" in New Delhi.

Amaresh Bagchi, Emeritus Professor at NIPFP, passed away on February 20, 2008. A dedicated academician and statesman, Amaresh Bagchi till his last day, was serving as Member of the Commission on Centre-State Relations, Ministry of Home Affairs. He was also member on the Board of Management, IGIDR; Academic Council, JNU; Governing Board of Shahid Bhagat Singh College, and Maharaja Agrasen College, both affiliated to the University of Delhi. Amaresh Bagchi delivered lectures in NIPFP organised training programmes for probationers of Indian Revenue Service; College and University lecturers; and for officials of the Government of Sri Lanka. He chaired a valedictory session at a ADB-Government of Bihar seminar on *Bihar's Economic Survey, 2006-07*, at Patna. He was an invited participant at an international conference on *Federalism* conducted by Forum of Federations at New Delhi.

He contributed articles in business newspapers and economic journals of repute.

Indira Rajaraman, RBI Chair Professor, after attaining superannuation in August, is now Emeritus Professor at NIPFP. In November, 2007, she was appointed Member in the Thirteenth Finance Commission. As in the past, she rendered policy advice in different capacities to central and state governments and national and international organisations.

As chairperson of the Public Expenditure Review Committee of Kerala, she submitted the third and final report to the state government. She also held membership of: Economic and Policy Reforms Council of Rajasthan; Programme Advisory Committee, M.S

Swaminathan Research Foundation; Advisory Panel on Transparency Standard for the GoI-RBI Committee on Financial Sector Assessment which submitted its report in December, 2007; and Advisory Council for the Conference on Climate Change, World Institute of Sustainable Energy; and Steering Committee, Centre for Energy Security Research, TERI, New Delhi.

She was an external referee for promotions to the rank of Professor at the Punjab University; was Visitor's nominee for faculty selections, IIT, Kanpur; Chancellor's nominee on the Academic Council of TERI University; on the selection committee for faculty selections at the Indian Institute of Foreign Trade; and external expert for confirmation of faculty at Gokhale Institute of Economics and Politics, Pune.

Indira Rajaraman was Academic Advisor to the Fourth International Conference on Federation: and on the group of Feminist Economists, Planning Commission which submitted its report in the month of November, 2007. The *EPW*; *World Wildlife Fund*; and *Centre Science et Humaine* sought her opinion as a referee.

At NIPFP, she finalised her report, **Rural Decentralisation and Participatory Planning for Poverty Reduction** with the assistance of a research team and submitted it to the UNDP. She delivered eight lectures to training programmes organised by the Institute for Indian Revenue Service probationers; Revenue officials from Sri Lanka; and for College and University teachers in the three-week Refresher Course on Public Economics.

She was invited to deliver two lectures on "Overview of Taxation" at a training programme on *Revenue Audit* for IA&AS officers at the National Academy of Audit and Accounts, Shimla.

Indira Rajaraman was a participant in many national and international forums: workshop on *International Taxation and Development*, Initiative for Policy Dialogue, Columbia University and Ford Foundation at New York city; to chair a session on *Debt Sustainability* at a joint workshop by National Institute of Financial Management and Ministry of Finance. She delivered a number of talks, three at the Technical Consultation on Emerging Issues in Public Finance and Trade Policy Reform, UNDP, Colombo; one at the Development Policy Seminar Series, United Nations, New York; two at the UN-IFAD Expert Group Meeting at Rome; and another in a national seminar on *Panchayat* Level Resource Mobilisation and Efficient Fiscal Transfer at NIPFP in the course of the year. She presented a paper at the *Fourth Brookings - NCAER India Policy Forum* at New Delhi; and participated in a panel discussion on the CNBC TV 18 Channel.

Indira Rajaraman's published work appeared in various forms: Third Report of the Kerala Public Review Committee; two chapters in international volumes; a co-authored paper in EPW; and a book review of *The World Economy* by OECD. The NIPFP published a co-authored working paper of hers, entitled, "Tracking Functional Devolution by States to *Panchayats*". Three papers of Indira Rajaraman have been accepted for publication in forthcoming issues of the following international journals: *Public Administration and Development* (John Wiley), the *Review of Development Economics*, and *India Policy Forum* (Brookings and NCAER).

Tapas Kr. Sen, Senior Fellow, co-authored three research reports, and led a research project during the year. The completed research project (led by M. Govinda Rao) was on **Strengthening Decentralisation in Sri Lanka**, sponsored by the Ministry of Finance, Government of Sri Lanka, with three other co-authors. The team made presentations of the findings in a conference in Colombo.

Work on the study led by Tapas Sen entitled, **Financing Human Development in Selected States**, sponsored by UNDP and the Planning Commission continued to make steady progress. This project envisages eight individual state studies; two of these (Madhya Pradesh and Tamilnadu) were completed in the previous year, while two more (Orissa and West Bengal) were completed during the year under review. These reports analyse the status of human development in the selected states, identify possible resource constraints in attaining announced goals in the areas concerned, and suggest ways to overcome these constraints. While the Orissa report has been presented to the state government and is being finalised for publication, the draft of the West Bengal report has been submitted to the state government and is awaiting presentation. Under the same research project, Tapas Sen published a Working Paper* and a Policy Brief**. He also organised the Second Annual Conference on **Financing Human Development** in February, 2007.

He acted as resource person and delivered lectures to varying audiences including a group of education officials from different countries, officials of provincial and national governments from Sri Lanka, officials of the Government of Afghanistan, post-graduate students in economics, participants of training programmes, Indian Audits and Accounts Service probationers, and University and College Teachers in a refresher course held at NIPFP and

* Reprioritisation of Public Expenditure for Human Development (co-authored), Financing Human Development Project, Working Paper No. 2, May 2007, NIPFP.

** Universalising Elementary Education: An Assessment of the Role of the *Sava Shiksha Abhyan*, (co-authored), Financing Human Development, Policy Brief No. 2, November 2007, NIPFP.

elsewhere (including National University of Educational Planning and Administration, Jamia Hamdard, and TERI University). He delivered a public lecture at Bhubaneswar on “Social Services in Orissa”. As an invited resource person, he participated in a seminar on **Fiscal Federalism in Nigeria** organised by the Forum of Federations (Canada) at Abuja, besides making two presentations. He also participated in a seminar on *Approach to the Eleventh Five Year Plan* organised by IDFC and the 3I-network as a resource person, and in a workshop on *Public Financial Management: Performance Measurement Framework* organised by the World Bank. He was among the group of economists who presented their views in a consultative meeting with the Thirteenth Finance Commission at New Delhi. He was also participant in the Stakeholder Consultations for Country Assistance Strategy of DFID.

Tapas Sen was peer reviewer for a research report on Social Sector and Poverty prepared by NCAER and presented his comments at a workshop with the same title. He also continued to act as a member of the Central Monitoring Committee on Debt Consolidation and Relief Facility (DCRF), set up by the Ministry of Finance, Government of India for part of the year. He continued to be Chairman of the Library Committee of NIPFP and Trustee of the Provident Fund of the Institute.

Rita Pandey, Senior Fellow is on a three-year leave since August 2007. She was co-author in the NIPFP project, **Northeastern Region: Vision 2020** which was nearing completion at that point of time.

Her article, “CETPs and Pollution Control in Small Scale Industry in India” was published by *the Indian Economic Journal* in December 2007. She also published two co-authored books during the year.

R. Kavita Rao, Senior Fellow, completed a study entitled, **Cost Benefit Analysis of Small Scale Industry Exemptions** under the NIPFP Tax Research Unit, sponsored by Department of Revenue, Ministry of Finance; and was co-author in **Strengthening Decentralisation in Sri Lanka**. She co-ordinated two training programmes on the latter subject for officials from the provinces of Sri Lanka and made a presentation on its findings at an international conference in Colombo.

Currently, Kavita Rao is engaged in three projects: **Economics of Tobacco and Tobacco Taxation in India** with an associate; and **Benefits of Housing Exemptions and Cost Benefit Analysis of Area Based Exemptions** with a co-author at the Institute.

She attended the fourth meeting of the Asia Tax Forum at Hanoi, Vietnam, in April, 2007, followed by another meeting comprising the core working group of Asia Tax Forum at Hongkong in January, 2008. The NIPFP-Ministry of Finance is slated to host a meeting of the Forum at New Delhi in May, 2008.

Kavita Rao was a member in the following groups: working group on States' Resources for the Eleventh Five Year Plan (2007-2012) which submitted its report in June, 2007; and the Inter-Ministerial Group on Recommendations of the Hon'ble Public Accounts Committee on Concession meant for SSI Units which submitted its report in March, 2008.

She organised a two-week training programme on *Issues in Public Finance: An Overview* for probationers of Indian Revenue Service, which is now undertaken as an annual feature at NIPFP.

Ila Patnaik, Senior Fellow, is associated with the high level research programme on **Capital Flows and their Consequences**, a collaborative effort of NIPFP with the Department of Economic Affairs, Ministry of Finance. She attended two NIPFP-DEA conferences in New Delhi during December, 2007; and March, 2008 in which the following co-authored papers of hers came up for presentation: "Exchange rate regime and unhedged currency exposure"; "Foreign ownership of Indian Firms"; "One way bets on pegged exchange rates"; "Exchange rate pass-through"; "Graduating to globalisation"; and "What makes home bias abate".

During 2007-08, she published a working paper at NIPFP, "The Indian Currency Regime and Its Consequences"; and wrote as many as 46 articles in the reputed dailies, *Indian Express* and *Financial Express*.

Ajay Shah, Senior Fellow, is co-manager of NIPFP-DEA research programme on **Capital Flows and their Consequences** incorporating major aspects of capital flows, capital control exchange rate regime, and monetary policy. He is rendering research advice to the Ministry of Finance constituted Percy Mistry Committee on *Mumbai as an International Financial Centre*; and Raghuram Committee on *Financial Sector Reforms*. His expertise in the area of capital markets solicited his appointment on the Board of Directors at: Gujarat State Fertilisers; Centre for Monitoring Indian Economy; National Securities Clearing Corporation; and Clearing Corporation of India Ltd. He is member on the Board of Trustees, Centre for Civil Societies, Delhi; and Executive Committee, National Security Depository Ltd., NSE Index Policy Committee; and NSE Certification Steering Committee.

During the year under report, Ajay Shah wrote a report for Department of Statistics and Mathematics at Wirtschaftsuniversita:t Wien and two articles (one co authored) in reputed publications. He wrote a column every fortnight in the daily, *Business Standard* during the entire fiscal, 2007-08; his activities and interests can be commented upon on his blog at <http://ajayshahblog.blogspot.com>

Om Prakash Mathur, Principal Consultant, is member of the National Review Committee on Jawaharlal Nehru National Urban Renewal Mission (JnNURM)*, headed by the Prime Minister. He undertook to complete the task of tracking the urban reform agenda in 20 JnNURM cities. The task is complete for all cities excepting Delhi and Panjim in Goa and reports have been submitted to the Ministry of Urban Development. He is also a member of the Technical Advisory Group on JnNURM constituted by the same ministry. The Government of Gujarat entrusted the task of preparation of a new Stamp Bill to NIPFP. Om Mathur, with assistance from an external consultant, submitted the draft Stamp Bill to the state government in November, 2007. He continued to give research inputs in the ongoing work of the Standing Committee of State Secretaries of Stamps and Registration as its convenor. The secretariat of the Standing Committee is based at NIPFP. Om Mathur was also involved in the preparation of a Summary Assessment Report titled, **India Urban Report**, presented in a meeting moderated by Montek Singh Ahluwalia, Dy. Chairman, Planning Commission.

He gave a keynote address on “Municipal Finances” in a conference by the India Urban Space Foundation – Mumbai; and an introductory lecture on “Urban Issues in India” to a delegation of senior officials from Nigeria.

Om Mathur organised a roundtable on *Urban Fiscal Decentralisation* at Kochi with the objective of deliberating on the intergovernmental finances and their structuring for strengthening the finances of urban local bodies.** He was a participant at the National Core Group on Urban Poverty in Bangalore; and *Municipal Governments in Large Federations* at NIUA, New Delhi.

As of before, he was invited to participate in many urban development forums at the international level. He was amongst the UN-HABITAT, Advisory Board of Decentralisation

* As a member of Prime Minister’s National Review Committee on JnNURM, he attended two meetings and participated in a conference on the subject, he also delivered a lecture on the “Correct Status of JnNURM Reform” at a national workshop in New Delhi.

** He chaired a session in an international conference on *Transport, Health, Environment, and Equity in Indian Cities* at IIT, New Delhi.

at Nairobi, and Advisory Group of Experts on Decentralisation, at New Delhi. He was a roundtable discussant at the Policy Review of Provincial and Local Governments at University of Western Cape; UN-ESCAP Expert Group Meeting on Sustainable Infrastructure Development; and Expert Group Meeting on Urban Poverty, both at Bangkok.

A.L. Nagar, Senior Consultant, continued to write research papers under the Tax Research Cell of CBDT at NIPFP.

During the year under review, he completed a project on **Economic Development, Health, and Environment** with an associate at the Institute, and made **Updated Projections of Tax Receipts (CT and IT) for FY 2007-08** with two co-authors.

His ongoing project continues to produce work on the structural model for India linking economic development, health, and environment. During July-December, he delivered a series of lectures on “Advanced Econometrics” at School of International Studies, JNU, and a seminar on *Economic Development, Health, and Environment*.

A.L. Nagar published a co-authored paper in *Economic and Political Weekly* in December 2007.

Kala S. Sridhar, Fellow, left NIPFP in March 2008 to join Public Affairs Centre, Bangalore, as Ford Public Affairs Fellow. Until her stay at NIPFP, she submitted six reports to the World Bank prepared in association with colleagues from NIPFP. This umbrella project, **Improving the Fiscal Health of Large Cities: Evidence from India** pertained to the cities of Kolkata, Delhi, Pune, Hyderabad, Chennai, along with a synthesis report. She initiated a project, **Land as a Municipal Financing Option: A Pilot Study from India** for the Thirteenth Finance Commission, Government of India.

Kala Sridhar delivered a lecture on “JnNURM and Infrastructure Development Programmes for Small and Medium Towns” at an urban governance workshop at CRRID, Chandigarh, in August 2007.

The year saw Kala Sridhar as recipient of honors/reviewer roles, visiting appointments and awards. She received the First Prize Medal for Research on Development, Ninth Annual Global Development Conference for “Impact of Land Use Regulations: Evidence from Indian Cities”, at Brisbane, Australia. She made presentations on the same topic in the Ninth Annual Global Development Network Conference, as also in a post-conference

workshop. During the summer of 2007, she was Visiting Fellow at the World Institute for Development Economics Research (WIDER), United Nations University, Helsinki, Finland, for two months. During her stay at UNU-WIDER, in May 2007, she spoke on “Location Choice of Firms in Cities: Preliminary Findings from China and South Africa”. She made a presentation on “Firm Location Choice in Cities: Evidence from China, India, and Brazil” in a UNU-WIDER conference in September 2007; “Suburbanization and their Determinants: Evidence from Indian States” in a HECER (Helsinki Center of Economic Research)-WIDER summer seminar.

Kala Sridhar was a reviewer for *State and Local Government Review*, published by the University of Georgia, Athens, USA; an invited expert at the National Institute of Advanced Studies, Bangalore, for their proposed Urban Studies programme; and an invited member, to provide guidance to a project and seminar on *Construction of National Transfer Accounts*, ISEC, and Nihon University, Population Research Institute (Tokyo), and United National Fund for Population Activities (UNFPA) at Bangalore.

She contributed three chapters in edited books (one forthcoming) besides three articles in international journals. She also published a research/working paper each at WIDER; and ISEC; and wrote five articles in leading business newspapers.

Pinaki Chakraborty, Fellow, is on a year’s leave since August, 2007. He is at present working at the Centre for Development Studies, Thiruvananthapuram. Pinaki is continuing work with co-author Lekha Chakraborty on a NIPFP project, which is a Nine Country Study titled, **Globalisation, Gender, and Taxation: Improving Revenue Generation and Social Protection in Developing Countries**, sponsored by IDRC Canada and Ford Foundation and UNDP along with his activities there. The project is a collaboration of University of KwaZulu-Natal, South Africa, and American University, Washington.

In pursuance of this project, he has participated in various project workshops held in Durban, South Africa, Rabat, Morocco and in Buenos Aires, Argentina. He was also an invited speaker on this project at UNDESA, New York and also at IDRC’s headquarter in Canada. Apart from this, he has presented his paper titled, “Is Fiscal Policy Contracyclical in India: An Empirical Analysis” (co-authored with Lekha Chakraborty) in the Annual Conference on Development and Change, in Cape Town, South Africa. Pinaki Chakraborty was an appointed member in: Technical Committee, Ministry of *Panchayati Raj* to advise the sub-committee of the Council of Ministers of PRIs in the preparation of a Joint Memorandum to be presented to the Thirteenth Finance Commission.

He has been appointed by the Government of Kerala in the following three committees: Memorandum Drafting Committee of Thirteenth Finance Commission, Research Group on Centrally Sponsored Schemes; State Planning Board; Plan Committee on Resources to formulate draft proposal for the Eleventh Five Year, constituted by the State Planning Board. Besides the above, he is member in the sub-group on Financial Issues formed by Working Group on Power for the Eleventh Five Year Plan, Ministry of Power, Government of India; sub-Group on Public Sector's Draft on Private Sector Savings formed by the Working Group on Savings for the Eleventh Five Year Plan, Planning Commission, New Delhi; and Steering Group on Vision Bihar: Managing Financial Resources – Medium Term Perspective, Government of Bihar.

He is an honorary member of the faculty at The Levy Economics Institute of Bard College, New York where he has published a working paper. He also published a paper at the Munich University.

Three of his four articles are awaiting publication in forthcoming volumes; while another is under process at Sage Publications. He is a reviewer for South Asia Economic Journal, published by Sage. He also taught a course on “Issues Related to Indian Public Finance” at IGIDR, Mumbai during 2007 and also at Centre for Development Studies, Thiruvananthapuram.

Anit Nath Mukherjee, was elevated to the position of Fellow at NIPFP on January 1, 2008. He was a research member in the **Independent Commission on AIDS in Asia**, chaired by C. Rangarajan. The Commission reviewed the scientific evidence on the spread of HIV in Asia and assessed its medium and long term impact on economies and societies in the region. The final report was handed over to the UN Secretary General in New York in March, 2008. His lectures dealt with “Issues in Financing Care and Treatment for HIV/AIDS” at AIDS Commission workshops held in Manila and Dhaka; and “Financing HIV/AIDS: How to Ensure Gender Equality” at the 8th Commonwealth Women Affairs Meeting at Kampala, Uganda. He also lectured on “Estimating Efficiency and Effectiveness of Public Expenditure on Elementary Education: Suggestions for Improving the Quality of the Data” at a national seminar organized by NUEPA; and on “Looking Back and Looking Forward: *Sarva Shiksha Abhiyan* Phase 1 and Lessons for the Future”. At NIPFP, he is a member in the research team working on the broad theme of **Financing Human Development in Selected States**, a joint project of the Planning Commission of India and the UNDP. His co-authored reports on **Madhya Pradesh** and **Tamil Nadu** were published as monographs by the Institute. Anit Mukherjee spoke on the subject “Financing Human Development” in

the NIPFP training programmes for the probationers of IES; IA&AS, and IRS. He lectured on private-public partnership in NIPFP training courses for officials of Sri Lanka; and on social sector expenditure for officials from Afghanistan. He taught “Microeconomics” as a guest lecturer at Indian Institute of Foreign Trade.

His published work included his contribution in the Report of Independent Commission on AIDS in Asia released by UN Secretary General; co-authored paper in *World Development*; and a chapter in an edited volume. He also contributed an article in the *Economic and Political Weekly*; and published a *Policy Brief* at NIPFP on the mid-term assessment of the *Sarva Shiksha Abiyan*.

Gautam Naresh, Senior Economist, alongwith five other members in the team, submitted **Northeastern Region: Vision 2020** in three volumes to the North East Council, Shillong, Ministry of Development of North Eastern Region.

He presented a paper, “Taxes and Budget 2008-09” in a one-day seminar on *The Union Budget 2008-09: Reflexions*, organised by the Institute for Integrated Learning in Management at Greater Noida. He was a participant in three other seminars including the NIPFP-Ministry of *Panchayati Raj* national seminar at NIPFP; the national seminar by Society for Development Studies at IHC where he spoke on “Property Tax Reforms in Delhi”, in addition to an international conference by Institute for Human Development, New Delhi, and one by Institute of Social Studies, at the IIC, New Delhi.

He delivered yet another lecture on “Fiscal Reforms and Industrial Development” at Devi Ahilya University, Indore, and on “Property Tax: Methods and Techniques” at IIPA, New Delhi.

C. Bhujanga Rao, Senior Economist, is on a one-year assignment to Madras School of Economics since August, 2007. He was a member in the study team of NIPFP that completed and submitted the final report on **Rural Decentralisation and Participatory Planning for Poverty Reduction** to UNDP. He co-authored an article in *Economic Times* in August, 2007.

Pratap Ranjan Jena, Senior Economist, alongwith four co-authors, submitted the final report on **Rural Decentralisation and Participatory Planning for Poverty Reduction** to the UNDP. His co-authored study on **Strengthening Financial Management System** is nearing completion. He coordinated a training programme *Reforms in Budget Management System* for senior officials from the Government of Afghanistan in which he delivered a

lecture on fiscal policy and fiscal rules. He emphasised on the role of fiscal rules and fiscal discipline in the states, in his lecture in the training course for probationers of Indian Revenue Service. Likewise, Pratap Jena lectured on the concept of Medium Term Fiscal Framework, Expenditure Planning, Public Expenditure Management in NIPFP organised training programmes for officials from Sri Lanka; and College and University Teachers. He spoke on “Inter Governmental Fiscal Relations in India” in a workshop at NUEPA, New Delhi. He gave a seminar presentation at a national seminar on “Own Revenues of the *Panchayati Raj* Institutions: Orissa and Rajasthan”.

Pratap Jena attended a IMF-RBI training programme on *Programme and Performance Budgeting* at Pune.

Mukesh Kumar Anand, Senior Economist, is engaged in an ongoing project, **Rajasthan: A Report on Cost Under-recovery and User Changes in Select Services** commissioned to NIPFP by the Finance Department of the Government of Rajasthan. Part-I of the report which is complete relates to estimates of under recovery at aggregate level for four sectors, namely, drinking water, irrigation, power, and road transport. Part II of the report is in progress and relates to certain identified services in each of the above sectors.

He delivered lectures in the NIPFP organised training programmes for probationers of IA & AS; Indian Economic Service; Indian Revenue Service and in the three-week Refresher Course for College and University Teachers on topics such as “Public Utility Prices”; “Pension Expenditures: Issues in Pension Reforms”; “Public Services Through Taxes or User Charges” and “Equity and Efficiency in Public Expenditure”.

He published two (co-authored) papers in *Economic and Political Weekly*. Currently, he is working on a paper on “Growth and Structure on Retirement Benefits in Indian States.”

Subrata Mandal, Senior Economist, delivered a lecture on “India’s energy status: A case study of the petroleum sector” in an orientation programme for university teachers at JNU, New Delhi. Subrata Mandal contributed a co-authored paper entitled, “Overlapping Fiscal Domains and Effectiveness of Environmental Policy in India” in a volume published by Edward Elgar at UK and USA.

He was course coordinator for two NIPFP training programmes – *Financial Management and Public Policy* for Indian Revenue Services probationers; and *Fiscal Policy* for Indian Economic Service probationers.

Lekha Chakraborty, Senior Economist, is on a year's leave to Centre for Development Studies (JNU), Thiruvananthapuram since October, 2007. She continues to be involved in a co-authored project of NIPFP, **Globalisation, Gender, and Taxation: Improving Revenue Generation and Social Protection in Developing Countries** sponsored by IDRC Canada, and the Ford Foundation. Three of her papers came up for presentation in conferences abroad: "Is Fiscal Policy Contracyclical in India: An Empirical Analysis" at an annual conference at Cape Town, South Africa; "Engendering Macroeconomics and International Economics" at GEM-IWF conference at Istanbul, Turkey; and "Statistical Invisibility of Care Economy in India" at a World Bank-CFDA seminar in Goa.

She is a member in the expert committee on Budgetary Classification to Incorporate Gender Segregation, set up by the Ministry of Finance, New Delhi; and nominated as an honorary faculty member at the The Levy Economics Institute of Bard College, New York.

Her published work includes a working paper "Public and Non-Market Work in India: Selective Evidence from Time Use Data" at NIPFP; three articles related to gender budgeting are in the pipeline in three forthcoming international edited volumes, besides one in an international journal. Two of her articles, one co-authored, "Tax Incidence Analysis" and the other focused on public infrastructure and private costs are submitted for publication in a forthcoming edited international volume, and *Economic and Political Weekly*.

H.K. Amarnath, Senior Economist, is one of the four members in the ongoing UNDP-Planning Commission project at NIPFP, **Financing Human Development in Selected States**. Work on two states, namely Madhya Pradesh and Tamil Nadu has been published in the form of NIPFP monographs. He delivered a special lecture on "Quality Issues in Higher Education in India" at a NAAC sponsored national seminar at Sri Krishnadevaraya University, Andhra Pradesh.

He coordinated a three-week training programme on **Public Finance** for probationers of IA&AS in which he delivered two lectures focused on empirical issues in public finance, and principles of fiscal decentralisation to rural local bodies.

Manish Gupta, was promoted as Senior Economist in August 2007. He is on deputation to the Thirteenth Finance Commission since February, 2008. During his stay at NIPFP, along with four co-authors he submitted the final report of **Rural Decentralisation and Participatory Planning for Poverty Reduction** to the UNDP. He presented his Chhattisgarh State Report at Raipur. He was part of the ongoing NIPFP-DEA project on

Capital Inflows and its Consequences. At a national seminar organised by NIPFP and Ministry of *Panchayati Raj*, he made a presentation on “Own Revenues of the PRIs: Madhya Pradesh and Chhattisgarh”. He also presented a paper on “Economic Basis of Local Self Government in India” at the Indo-Norwegian Symposium on Local Governance organised by Ministry of *Panchayati Raj*. He delivered two lectures in training courses for Indian Economic Service Officers at the Institute of Economic Growth.

Manish Gupta co-ordinated the Third Refresher Course in *Public Economics* for College and University Teachers at NIPFP. He was Convenor, Seminars at NIPFP.

Mita Choudhury, was promoted as Senior Economist during the year under review. She was part of the study team involved in the project on **Financing Human Developing in Selected States**, a co-sponsored project of UNDP and Planning Commission of India. She was co-author with three other colleagues in writing the monographs on *Financing Human Development in Tamilnadu: Consolidating and Building Upon Achievements*; and *Tackling Poverty Constraint on Human Development: Financing Strategies in Madhya Pradesh*. Her research work on a project by WHO and Ministry of Health and Family Welfare in collaboration with M. Govinda Rao resulted in a monograph entitled, *Inter-State Equalisation of Health Expenditures in Indian Union*. All the three monographs were published by NIPFP.

Simanti Bandyopadhyay, was promoted as Senior Economist in August, 2007. During the year, she has been engaged in a co-authored project, **Improving Fiscal Health of Indian Cities: A Pilot Study of Kolkata, Delhi, Pune, Hyderabad, and Chennai**. The draft report on the above five cities alongwith a synthesis report was submitted to the World Bank in February, 2008.

She was a Visiting Fellow at Indian Statistical Institute, Kolkata during Summer 2007, where she gave a seminar on *Environmental Regulation and Technical Efficiency: A Data Envelopment Analysis for Highly Polluting Industries in India*. As Visiting Fellow, during Spring 2008, at the Department of Economics, University of Calcutta, she delivered a series of eight lectures on “Data Envelopment Analysis” (DEA) to M. Phil students. Simanti was also invited as a Visiting Faculty at the Department of Business Economics, University of Delhi in March 2008, where she delivered a series of four lectures on DEA to M. Phil students.

At NIPFP she lectured on “Externality, Environment, Taxes: Concepts and Issues”; and

on the critical issues related to city finances and urban development financing in NIPFP organised training programmes for probationers of Indian Revenue Service; and Indian Audit and Accounts Service.

She published a paper under the Discussion Paper Series of Indian Statistical Institute, Kolkata during her visit to ISI.

O.P. Bohra, Economist is on deputation to National Institute of Rural Development, Hyderabad for a period of two years. While at NIPFP until October, 2007, he was a member of the team that completed and submitted the final report, **Rural Decentralisation and Participatory Planning for Poverty Reduction: Rajasthan**. He presented the findings of the Rajasthan report at a workshop organised by UNDP and other stakeholders at Jaipur. He made two presentations to the Group B, CSS officials on “Project Appraisal” and “Globalisation and its Impact/WTO” at New Delhi; and another on “Devolution of Resources to Local Governments” at IIPA, New Delhi. He participated in a two-week *Joint India-IMF Training Programme* at ITP, Pune. O.P. Bohra contributed an article in an edited volume by Giri Institute of Development Studies, Lucknow.

Diwan Chand, Economist, continued to update the database on state finances sourcing primary data from the *Finance Accounts* of individual states, with details from budget and related documents.

Surajit Das, Economist, joined NIPFP in November, 2007. He is associated with **Financing Human Development in Selected States** commissioned to NIPFP by UNDP and the Planning Commission. He is involved in identifying the current status of human development indicators in the states of Rajasthan, Chattisgarh, Himachal Pradesh, and Maharashtra.

He made a presentation on “Macroeconomic Policy under Regime of Free Capital Flows” in an international conference, and a workshop held at Beijing, China. He published an article titled, “On Bringing Down the Fiscal Deficit” in the *Economic and Political Weekly*.

Rudrani Bhattacharya, Economist joined the Institute in September, 2007. She is working in the NIPFP-DEA project, **Capital Flows and their Consequences**. She participated in the two research conferences held on the subject during December 2007; and March 2008. In the latter conference, she presented a paper titled, “Exchange Rate Pass-through in India.”

Rudrani lectured on “Capital Market, Money Market and the Role of SEBI” in the NIPFP organised training programme for probationers of Indian Audit and Accounts Service.

Jhumur Sengupta, joined the Institute as Economist in October, 2007. She is currently working on **Economics of Tobacco and Tobacco Taxation in India** with a senior colleague. She made two presentations on “Discrimination in Ethnically Fragmented Localities and Public Good Provision: A Need for Reform”; and “Theory and Method of Social Capital on Development: An Impact of Ethnicity” in a seminar at Presidency College, Kolkata. She lectured on “Role of Social and Human Capital in Growth” in an NIPFP organised training programme for probationers of IA&AS.

Her published output comprises one article in *Economic and Political Weekly*, and another in an edited volume.

Gita Bhatnagar, Research Associate, continued to be associated with the ongoing activity of updating the **Public Finance Information System**, a data bank on state government finances.

Harpreet Kaur Azad, Consultant, associated with the Standing Committee of State Secretaries of Stamps and Registration contributed research inputs for the meetings held at NIPFP where the secretariat of the Committee is based. She assisted O P Mathur on the draft of Gujarat Stamp Bill. Harpreet Kaur is a team member involved in monitoring and tracking the urban reform agenda of the 20 cities allocated to the Institute under JnNURM.

Rita Wadhwa, Editor, edited and published four monographs on behalf of NIPFP, namely, *Tackling Poverty Constraint on Human Development: Financing Strategies in Madhya Pradesh*; *Financing Human Development in Tamil Nadu: Consolidating and Building Upon Achievement*; *Inter-State Equalisation of Health Expenditures in Indian Union*; and *Trapped in the Comfort Zone of Denial 50 years of Expenditure Management in India*.

She edited five working papers published by the Institute. She compiled and designed the Annual Report 2007-08; designed and oversaw production of two newsletters published by NIPFP in July 2007, and January 2008. She continued to be a member of the website committee at NIPFP.

Siva Chidambaram, Senior Library and Information Officer, contributed in the upgradation of the facilities in the NIPFP library with the usage of latest software packages. He delivered

two lectures on “DSpace Use and Users”; and “DSpace Administration” in a UGC Refresher Course at Rajasthan. He presented a paper on “Revisiting Z39.50 Protocol in Digital Library Era: Need and its Necessity in the Internet World” in the **9th Annual National Convention of MANLIBNET** at ICSSR, New Delhi (since published). Siva Chidambaram’s co-authored two papers “Planning and Development of Digital Library using GSDL Software at NIPFP Library” came up for presentation in an international conference at Kathmandu, Nepal. And “GSDL-Self Learning Package to Understand the Structure and Conceptual Concept of Digital Library” at a National Seminar at Madurai Kamaraj University, Madurai. He was a participant in a one-day international seminar on “Library Agenda” about NKC at Max Muller Bhawan, New Delhi; He attended the Tenth National Convention on **Knowledge, Library and Information Networking**, at IIC, New Delhi; and one-day discussion organised by National Knowledge Commission in collaboration with NASSDOC and ICSSR, and co-authored two papers.

9 NIPFP Staff

A complete list of staff members – permanent and contractual – as on March 31, 2008, is at *Annexure VI*.

10 Sponsoring Members

The sponsoring – corporate, permanent, and ordinary – members of the Institute, as on March 31, 2008, may be seen at *Annexure VII*.

11 Finance and Accounts

The statement of Accounts of the Institute for the financial year 2007-2008, duly audited by the Institute’s auditors *M/s Singh, Krishna and Associates*, Chartered Accountants, is at *Annexure VIII*.

OBITUARY



A shocking and sad event occurred at NIPFP on February 20, 2008 with the passing away of DR. AMARESH BAGCHI, Emeritus Professor and Director of the Institute from 1985-1995. He was also working as a Member, Centre-State Relations, Ministry of Home Affairs since July, 2007. He was an outstanding scholar in the area of applied public finance, and a respected and loved colleague to all at NIPFP and to the entire public finance fraternity.

He is survived by his wife and two children, a son, and a daughter.

LIST OF STUDIES 2007-2008

TITLE	SPONSORING AGENCY/RESEARCH UNIT OF THE INSTITUTE	AUTHOR(S) RESEARCH TEAM
STUDIES COMPLETED		
1. Economic Development, Health, and Environment	CBDT	A.L. Nagar Sayan Samanta
2. Updated Projections of Tax Receipts (CT and IT) for FY 2007-08	CBDT	A.L. Nagar Sanjay Kumar Sayan Samanta
3. Cost Benefit Analysis of Small Scale Industry Exemptions	MoF Department of Revenue Govt. of India	R. Kavita Rao
4. Peace, Progress, and Prosperity in the Northeastern Region: Vision 2020	North East Council, Shillong	M. Govinda Rao Rita Pandey Gautam Naresh Anuradha Bhasin Alokesh Barua Manoj Pant
5. Tracking the Urban Reform Agenda under the JnNURM	JnNURM, Ministry of Urban Development	O.P. Mathur
6. Stamp Bill of Gujarat	Govt. of Gujarat	O.P. Mathur
7. Rural Decentralisation and Participatory Planning for Poverty Reduction	UNDP	Indira Rajaraman C. Bhujanga Rao Pratap Ranjan Jena O.P. Bohra Manish Gupta

8. Improving the Fiscal Health of Large Cities: Evidence from India (Kolkata, Delhi, Pune, Hyderabad, Chennai and a Synthesis Report)	World Bank	Kala S. Sridhar Simanti Bandyopadhyay Satadru Sikdar
9. Inter-State Difference in Health Expenditure: Designing and Implementing an Equalisation Scheme	World Bank and Ministry of Health & Family Welfare, GoI	M. Govinda Rao Mita Choudhury
10. Independent Commission on AIDS in Asia	UNAIDS	C. Rangarajan Anit Mukherjee
11. Strengthening Fiscal Decentralisation In Sri Lanka	Govt. of Sri Lanka	M. Govinda Rao Tapas K. Sen R. Kavita Rao D.K. Srivastava

ON-GOING STUDIES

1. NIPFP-DEA Research Programme on Capital Flows and their Consequences	NIPFP and Deptt. of Economic Affairs, MoF	Co-Managers Ila Patnaik Ajay Shah Research Assistance: Rudrani Bhattacharya
2. Strengthening Financial Management Systems	Administrative Reform Commission Govt. of India	A.K. Ghosh Pratap Ranjan Jena
3. Benefits of Housing Exemptions	Department of Revenue, MoF GoI	R. Kavita Rao
4. Cost-benefit Analysis of Area-Based Exemptions	Department of Revenue, MoF GoI	R. Kavita Rao

5. Review of Haryana FRBM Act, 2005	Govt. of Haryana	M. Govinda Rao Pratap Ranjan Jena
6. Monitoring the Progress of the Government of Goa in achieving the FRBM targets, drafting of rolling medium-term fiscal plan and disclosures in a prescribed format for better transparency	Govt. of Goa	M. Govinda Rao Pratap Ranjan Jena
7. Rajasthan: A Report on Cost under-Recovery and User Charges in Selected Services	Govt. of Rajasthan	Mukesh Kr. Anand
8. Standing Committee of State Secretaries of Stamps and Registration	Ministry of Finance	O.P. Mathur
9. Preparation of a National Report on State of India's Urbanisation	Ministry of Finance	O. P. Mathur
10. Globalisation, Gender, and Taxation: Improving Revenue Generation and Social Protection in Developing Countries	IDRC, Canada and Ford Foundation	Pinaki Chakraborty Lekha S. Chakraborty
11. Financing Human Development In Selected States	UNDP and The Planning Commission of India	Tapas Kr. Sen H.K. Amarnath Anit N. Mukherjee Mita Choudhury Protiva Kundu Sandeep Biswal Narendra Jena Krishanu Karmakar Surajit Das

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| 12. Economics of Tobacco and Tobacco Taxation in India | Public Health Foundation of India and International Tobacco Health Research Network | R. Kavita Rao
Jhumur Sen Gupta |
| 13. Public Finance Information System | SFU, NIPFP | Tapas Kr. Sen
Diwan Chand
Gita Bhatnagar |

WORKING PAPER SERIES

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| 1. Gender Responsive Budgeting and Fiscal Decentralisation in India: A Preliminary Appraisal (Working Paper No. 46) (May 2007) | | Lekha S. Chakraborty |
| 2. Public Infrastructure Investment and Non-Market Work in India: Selective Evidence From Time Use Data (Paper No. 47) (May 2007) | | Lekha S. Chakraborty |
| 3. Tracking Functional Devolution by States to <i>Panchayats</i> (Working Paper No. 48) (May 2007) | | Indira Rajaraman and
Darshy Sinha |
| 4. The Indian Currency Regime and Its Consequences (Working Paper No. 49) (June 2007) | | Ila Patnaik |

FINANCING HUMAN DEVELOPMENT

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| 1. Reprioritisation of Public Expenditure for Human Development (Working Paper No. 2) (May 2007) | | Tapas K. Sen and
Krishanu Karmakar |
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INTERNAL SEMINAR SERIES

	Day and Date	Seminar	Topic
1.	Tuesday July 10, 2007	<i>Emil M. Sunley</i> <i>Fiscal Affairs,</i> <i>International</i> <i>Monetary Department</i>	<i>Fiscal Regime for the Oil and Gas Sector</i>
2.	Friday October 19, 2007	<i>Joshua Felman</i> <i>IMF, Delhi</i>	<i>Managing Large Capital Flows</i>
3.	Friday February 1, 2008	<i>Sir John Gieve</i> <i>Deputy Governor,</i> <i>Bank of England</i>	<i>Credit Market Turmoil: Its Impact and Lessons for Authorities</i>
4.	Friday February 16, 2008	<i>Ajay Shah</i> <i>Senior Fellow</i> <i>NIPFP</i>	<i>New Issues in Macroeconomic Policy</i>
5.	Wednesday March 5, 2008	<i>Sanjit Dharami</i> <i>University of</i> <i>Leicester, U.K</i>	<i>Why do People Pay Taxes? An Application of Behavioral Decision Theory.</i>
6.	Thursday March 13, 2008	<i>Enid Slack</i> <i>University of</i> <i>Toronto, Canada</i>	<i>Urban Governance and Finance of Metropolitan Areas</i>

ANNEXURE III

MEMBERS OF GOVERNING BODY AS ON 31.3.2008

1. Dr. C. Rangarajan
Chairman (NIPFP)
Chairman
Economic Advisory Council to the Prime Minister
Vigyan Bhawan Anne
Maulana Azad Road
New Delhi- 110001
Chairman

Under Rule 7(b)(i)

Two nominees of the Ministry of Finance

2. Dr. D. Subba Rao
Finance Secretary
Ministry of Finance
North Block
New Delhi-110001
Member
3. Shri Sanjiv Misra
Secretary (Expenditure)
Ministry of Finance
North Block
New Delhi-110001
Member
4. Shri P.V. Bhide
Secretary (Revenue)
Ministry of Finance
North Block
New Delhi-110 001
Member

Under Rule 7(b)(ii)

One nominee of the RBI

5. Dr. R.K. Pattnaik
Advisor
Reserve Bank of India
Member

New Central Office Building
Shaheed Bhagat Singh Marg
Mumbai-400023

Under Rule 7(b)(iii)

One nominee of the Planning Commission

- | | | |
|----|---|--------|
| 6. | Shri Subas Pani
Secretary
Planning Commission
Yojana Bhawan
Parliament Street
New Delhi-110001 | Member |
|----|---|--------|

Under Rule 7(b)(iv)

Three nominees of sponsoring State Govts.

- | | | |
|----|---|--------|
| 7. | Shri K. Gnanadesikan
Secretary
Finance (Res-I) Department
Government of Tamil Nadu
Government Secretariat
Secretariat
Chennai-600 009 | Member |
| 8. | Shri R.N.Senapati
Principal Secretary (Finance)
Finance Department
Government of Orissa
Secretariat
Bhubaneswar-751 001 | Member |
| 9. | Shri A.K. Jyoti
Additional Chief Secretary
Finance Department
Government of Gujarat
Sachivalaya
Gandhinagar-382 010 | Member |

Under Rule 7(b)(v)

One nominee of a Municipal Corp.

Under Rule 7(b)(vi)

One nominee of the ICICI

- | | | |
|-----|---|--------|
| 10. | Dr. Nachiket Mor
President
ICICI Foundation for Inclusive Growth
1, Cenotaph Road
Tevnampet
Chennai – 600018 | Member |
|-----|---|--------|

Under Rule 7(b)(vii)

Two nominees of institutions

- | | | |
|-----|--|--------|
| 11. | Shri Venugopal N. Dhoot
President
Associated Chambers of Commerce
and Industry of India
147-B Gautam Nagar
New Delhi-110049 | Member |
| 12. | Shri Habil F. Khorakiwala
President
Federation of Indian Chambers of
Commerce and Industry
Federation House
Tansen Marg,
New Delhi-110 001 | Member |

Under Rule 7(b)(viii)

Three eminent economists

- | | | |
|-----|---|--------|
| 13. | Dr. Bibek Debroy
Professor
International Management Institute
B-10 Qutab Institutional Area
New Delhi – 110 016 | Member |
|-----|---|--------|

14. Prof. Pulin B. Nayak
Director
Delhi School of Economics
University of Delhi
Sudhir Bose Marg
Delhi-110 007

Member

15. Dr. Shankar N. Acharya
Hony. Professor
ICRIER
India Habitat Centre, Core 6A, 4th floor
Lodhi Estate
New Delhi-110 003

Member

Under Rule 7(b)(ix)

Three representatives of collaborative inst.

16. Mr. Suman Bery,
Director General
NCAER,
11, Parisila Bhawan
I.P. Estate, Ring Road
New Delhi – 110002

Member

17. Dr. S.K. Rao
Director General
Administrative Staff College of India
Bella Vista
Hyderabad-500 082

Member

18. Prof. D.M. Nachane
Director
Indira Gandhi Institute of Development Research
Gen. A.K. Vaidya Marg, Santosh Nagar
Goregaon (East)
Mumbai-400 065

Member

Under Rule 7(b)(x)

One member to be co-opted by Governing Body

19. Shri Yezdi Hirji Malegam Member
S.B. Billimoria & Company
Meher Chambers, R. Kamani Road
Ballard Estate
Mumbai-400 001

Under Rule 7(b)(xi)

Director of the Institute (ex-officio)

20. Dr. M. Govinda Rao Member-Secretary
Director, NIPFP
New Delhi-110067

Under Rule 7(b)(xii)

One Senior Fellow of the Institute by rotation

21. Dr. (Mrs.) R. Kavita Rao Member
Senior Fellow, NIPFP
New Delhi-110067

Special Invitees

1. Dr. Arvind Virmani
Chief Economic Adviser
Ministry of Finance
North Block
New Delhi - 110001
2. Shri R. Prasad
Chairman
Central Board of Direct Taxes
Ministry of Finance
North Block
New Delhi-110 001
3. Shri S.K. Shingal
Chairman
Central Board of Excise and Customs
Ministry of Finance
North Block
New Delhi-110 001

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Co-published.

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TAPAS KR. SEN

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ILA PATNAIK

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AJAY SHAH

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PINAKI CHAKRABORTY

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ANIT N. MUKHERJEE

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C. BHUJANGA RAO

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MUKESH KR. ANAND

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SUBRATA MANDAL

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H.K. AMARNATH

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- b. (co-authors: Sen Tapas K., Mita Choudhury, and Anit Mukherjee) *Financing Human Development in Tamil Nadu: Consolidating and Building Upon Achievements*, Monograph Series under Financing Human Development Project. New Delhi: National Institute of Public Finance and Policy (2008).

MITA CHOUDHURY

- a. (co-authors: Sen Tapas K., H.K. Amarnath, and Anit Mukherjee) *Tackling Poverty Constraint on Human Development: Financing Strategies in Madhya Pradesh*, Monograph Series under Financing Human Development Project. New Delhi: National Institute of Public Finance and Policy (2007).
- b. (co-authors: Sen Tapas K., H.K. Amarnath, and Anit Mukherjee) *Financing Human Development in Tamil Nadu: Consolidating and Building Upon Achievements*, Monograph Series under Financing Human Development Project. New Delhi: National Institute of Public Finance and Policy (2008).
- c. (co-author: Rao M. Govinda) *Inter-State Equalisation of Health Expenditure in Indian Union*. Monograph Series. New Delhi: National Institute of Public Finance and Policy (2008).

SIMANTI BANDYOPADHYAY

- a. “Environmental Regulation and Technical Efficiency: A Data Envelopment Analysis for Indian Cement Industry” Discussion Paper No, ERU/2007, ISI, Kolkata.

O. P. BOHRA

- a. “Devolution of Resources to Local Governments: Finance Commission Approach”, in (ed.) Ajit Kumar Singh, *Twelfth Finance Commission Recommendations and their Implications for the State Transfers*. Lucknow: Giri Institute of Development Studies.

JHUMUR SENGUPTA

- a. “Discrimination in Ethnically Fragmented Localities: A Study on Public Goods Provision in West Bengal”, *Economic and Political Weekly*, XLII (32) (August 2007).
- b. “Discrimination in Ethnically Fragmented Localities in West Bengal: A Need for Fiscal Reform in (ed.) Debnarayan Sarkar, *Second Generation Reform: What is to be Done*. New Delhi: Allied Publication.

SURAJIT DAS

- a. “On Bringing Down the Fiscal Deficit” *Economic and Political Weekly*. 42(18) May 2007.

SIVA CHIDAMBARAM

- a. “Revisiting Z39.50 Protocol in Digital Library Era: Need and its Necessity in the Internet World” 9th National Convention of MANLIBNET on *Business and Management Librarianship: The Decade Ahead*. New Delhi: ICSSR: 375-383.
- b. (co-authored) Planning and Development of Digital Library using GSDL Software, International Conference Proceedings: on Information and Knowledge Management at Kathmandu, Nepal;127-146 (March 2008).

LIST OF STAFF MEMBERS AS ON MARCH 31, 2008

ACADEMIC STAFF

1.	Dr. C. Rangarajan	Chairman
2.	Dr. M.G. Rao	Director
3.	Dr. R.J. Chelliah	Professor of Eminence
4.	Dr. A. Bagchi	Emeritus Professor (expired on 20.2.2008)
5.	Dr. (Ms.) Indira Rajaraman	Emeritus Professor (retired as Sr. Fellow w.e.f. 31.8.2007)
6.	Dr. Tapas Kumar Sen	Senior Fellow
7.	Dr. (Ms.) Rita Pandey	Senior Fellow*
8.	Dr. (Ms.) R. Kavita Rao	Senior Fellow
9.	Dr.(Ms.) Ila Patnaik	Senior Fellow
10.	Dr. Ajay Shah	Senior Fellow
11.	Dr. (Ms.) Kala S. Sridhar	Fellow (resigned on 20.3.2008)
12.	Dr. Pinaki Chakraborty	Fellow *
13.	Dr. Anit Nath Mukherjee	Fellow (joined on 1.1.2008)
14.	Dr. C. Bhujanga Rao	Senior Economist*
15.	Dr. Gautam Naresh	Senior Economist
16.	Dr.(Ms.) Lekha Chakraborty	Senior Economist*
17.	Dr. P.R. Jena	Senior Economist
18.	Dr. Subrata Kumar Mandal	Senior Economist
19.	Dr. Mukesh Kumar Anand	Senior Economist
20.	Dr. H.K. Amarnath	Senior Economist
21.	Dr. Manish Gupta	Senior Economist **
22.	Dr. (Ms.) Simanti Bandyopadhyay	Senior Economist (w.e.f. 31.8.2007)
23.	Dr. (Ms.) Mita Choudhury	Senior Economist (w.e.f. 29.8.2007)
24.	Shri Diwan Chand	Economist
25.	Dr. O.P. Bohra	Economist**
26.	Ms. Rudrani Bhattacharya	Economist (joined on 17.09.2007)

27. Ms. Jhumur Sengupta	Economist (joined on 12.10.2007)
28. Shri Surajit Das	Economist (joined on 30.11.2007)
29. Shri A.K. Halen	Junior Economist
30. Ms. Gita Bhatnagar	Research Associate
31. Ms. Darshy Sinha	Research Associate (16.10.2007 to 4.3.2008)

ADMINISTRATIVE STAFF

1. Shri L. Gurumurthy	Secretary (relieved on 30.11.2007)
2. Shri Jai Mohan Pandit	Secretary (joined w.e.f. 5.3.2008)
3. Ms. Sushila Panjwani	Sr. PPS to Chairman** (Chairman's Office)
4. Shri N. Natarajan	Sr. PPS to Director
5. Shri R. Parameswaran	Private Secretary
6. Shri R. Periannan	Private Secretary** (Chairman's Office)
7. Shri Naveen Bhalla	Senior Administrative Officer
8. Ms. Rita Wadhwa	Editor
9. Shri C. Rajaram	Accounts Officer (joined w.e.f. 26.7.2007 - (on deputation from Govt. of NCT of Delhi)
10. Shri Hari Shankar	Hostel Manager
11. Shri Satish Prabhu	Estate Officer
12. Shri R.S. Tyagi	Private Secretary
13. Shri Praveen Kumar	Private Secretary**
14. Shri Sharad Aggarwal	Terminated on 13.2.2008
15. Shri S.C. Sharma	Accounts Executive
16. Shri Bhaskar Mukherjee	Executive Officer
17. Shri Parvinder Kapur	Stenographer Grade -I
18. Shri Kapil Kumar Ahuja	Stenographer Grade-II
19. Ms. Promila Rajvanshi	Stenographer Grade I

20.	Ms. Indra Hassija	Assistant
21.	Shri S.N. Sharma	Assistant
22.	Shri J.S. Rawat	Assistant
23.	Ms. Kavita Issar	Stenographer Grade -II
24.	Shri Anurodh Sharma	Stenographer Grade-II
25.	Shri V.M. Budhiraja	Clerk (Accounts)
26.	Shri Nand Ram	Clerk-cum-Typist
27.	Shri Birender Singh Rawat	Clerk (Accounts)
28.	Shri R. Surendran	Steno-typist
29.	Ms. Usha Mathur	Steno-typist
30.	Ms. Amita Manhas	Steno-typist
31.	Ms. Ruchi Anand	Receptionist-cum-Telephone Operator
32.	Shri H.B. Pandey	Photocopying Operator
33.	Shri Dhanpat	Hostel Attendant
34.	Shri Devi Singh	Hostel Attendant (retired 31.12.2007)
35.	Shri Raju	Driver
36.	Shri Parshu Ram Tiwari	Driver
37.	Shri Hira Singh	Junior Library Attendant
38.	Shri Kishan Singh	Watchman
39.	Shri Shiv Bahadur	Gardener
40.	Shri K.N.Mishra	Watchman
41.	Shri Bishamber Pandey	Messenger
42.	Shri Mohan Singh	Messenger
43.	Ms. Kamla Tiwari	Messenger
44.	Ms. Palayee	Gardener
45.	Shri Shiv Pratap	Gardener
46.	Shri Rajan Dhaka	Messenger (joined on 18.6.2007)
47.	Shri Ajay Kumar	Messenger (joined on 18.6.2007)

COMPUTER UNIT

- | | |
|---------------------------|----------------------------------|
| 1. Shri N.K. Singh | EDP Manager |
| 2. Shri Jagdish Arya | Research Officer (Communication) |
| 3. Shri Anil Kumar Sharma | Superintendent (Computer) |

LIBRARY

- | | |
|--------------------------|---|
| 1. Shri Siva Chidambaram | Senior Library and Information Officer |
| 2. Shri Dinesh Chand | Assistant Library and Information Officer |
| 3. Ms. Sudha Saxena | Assistant Library and Information Officer |
| 4. Shri P.C. Upadhyay | Senior Library and Information Assistant |
| 5. Ms. Manju Thakur | Senior Library and Information Assistant |
| 6. Shri Dharamvir | Sr. Library Attendant |
| 7. Ms. Annamma George | Messenger |
| 8. Shri Puran Singh | Messenger |

* leave without pay

** on deputation

CONTRACTUAL STAFF

ACADEMIC

1. Prof. O.P.Mathur Principal Consultant
2. Prof. A.L. Nagar Hony. Visiting Fellow
3. Mr. Sukumar Mukhopadhyay Sr. Consultant
(relieved on 31.1.2008)
4. Prof. Manmohan Lal Aggarwal Sr. Consultant
5. Shri Amiya K.Ghosh Sr. Consultant
6. Shri Brajindar Mohan Singh Sr. Consultant
(joined on 19.11.2007)
7. Mrs. Swapna Mukhopadhyay Visiting Fellow
8. Ms. Anuradha Bhasin Consultant
9. Ms. Sona Mitra Consultant (relieved on 31.7.2007)
10. Ms. Protiva Kundu Consultant (relieved on 22.10.2007)
11. Ms. Darshy Sinha Consultant (upto 15.10.2007)
12. Ms. Tanaya Sinha Project Associate
(relieved on 6.8.2007)
13. Shri Saswata Chaudhury Project Associate
(relieved on 2.8.2007)
14. Shri Arindam Banerjee Project Associate
(relieved on 10.10.2007)
15. Ms. Bodapati Surjana Project Associate
(relieved on 31.5.2007)
16. Shri Satadru Mukherji Project Associate
(relieved on 13.7.2007)
17. Shri Sandip Kr. Biswal Junior Project Associate
(relieved on 14.5.2007)
18. Ms. Soma Patra Junior Project Associate
(relieved on 31.1.2008)
19. Ms. Jeyanthi Krishna Project Associate
(relieved on 12.7.2007)

20.	Ms. Monica Jaitly	Junior Project Associate (relieved on 10.1.2008)
21.	Ms. V.K.Deepa	Project Associate (relieved on 1.5.2007)
22.	Ms. Priya V.K.	Project Associate (relieved on 20.8.2007)
23.	Shri Sambit Rath	Project Associate (4.6.2007 to 3.12.2007)
24.	Shri Shailaendra Kr.Hooda	Project Associate (5.4.2007 to 4.11.2007)
25.	Shri Tanmoy Neogy	Junior Project Associate (30.5.2007 to 18.7.2007)
26.	Shri Sayantan Bera	Project Associate (11.6.2007 to 25.6.2007)
27.	Shri Abdul Kadir	Junior Project Associate (16.7.2007 to 1.10.2007)
28.	Shri Sourav Dasgupta	Junior Project Associate (16.5.2007 to 29.5.2007)
29.	Shri Naimitya Sharma	Junior Project Associate (29.6.2007 to 5.7.2007)
30.	Shri Anand Prakash Ekka	Junior Project Associate (20.8.2007 to 19.2.2008)
31.	Ms. Harpreet Kaur Azad	Consultant
32.	Shri Nilesh Rajadhyaksha	Consultant
33.	Shri Sayan Samanta	Project Associate
34.	Shri Krishanau Karmakar	Junior Project Associate
35.	Ms. Shweta	Junior Project Associate
36.	Shri Dibyendu Samanta	Junior Consultant
37.	Ms. Meenakshi Sharma	Junior Project Associate
38.	Ms. Nivedita Sarkar	Junior Project Associate
39.	Shri Narendra Jena	Junior Project Associate
40.	Shri Santosh Kumar Das	Project Associate (13.6.2007 to 12.12.2007)

- | | |
|---------------------------|--|
| 41. Shri Puran Chand Jena | Junior Project Associate
(13.7.2007 to 11.1.2008) |
| 42. Ms. C.N.M. Lavanya | Project Associate |
| 43. Shri Satadru Sikdar | Project Associate |

ACCOUNTS SECTION

- | | |
|------------------------|--------------------------------------|
| 1. Ms. Sushma Malhotra | Steno-typist (relieved on 28.9.2007) |
|------------------------|--------------------------------------|

LIBRARY

- | | |
|----------------------------|---|
| 1. Ms. Azad Kaur | Library Assistant |
| 2. Ms. Rupali Kumar | Research Assistant
(16.8.2007 to 15.10.2007) |
| 3. Shri Suresh Kumar Yadav | Research Assistant |

ANNEXURE VII

LIST OF SPONSORING, CORPORATE, PERMANENT, AND ORDINARY MEMBERS AS ON 31.3.2008

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. Arunachal Pradesh
2. Goa, Daman and Diu
3. Himachal Pradesh
4. Madhya Pradesh
5. Meghalaya

6. Manipur
7. Nagaland

C. ORDINARY MEMBERS – STATES/UNION TERRITORIES

1. Haryana
2. Government of NCT of Delhi
3. Government of Tripura

OTHERS

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

FINANCE & ACCOUNTS

SINGH KRISHNA & ASSOCIATES
Chartered Accountants
8, Ground Floor, Krishna Market, Kalkaji, New Delhi-110019
Tel: 32500444, Telefax: 40590344, email: skaca@airtelmail.in

AUDITORS' REPORT

To the Members of the General Body of

NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY

We have audited the attached Statement of Financial Position of National Institute of Public Finance and Policy, New Delhi, a society registered under the Societies Registration Act, 1860, as on March 31, 2008 and also the Income and Expenses Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the Institute. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Institute so far as appears from our examination of the books;
- (iii) The Statement of Financial Position and the Income and Expenses Statement dealt with by this report are in agreement with the books of account;
- (iv) The Statement of Financial Position and Income & Expenses Statement dealt with by this report are prepared in accordance with the accounting standards issued by the Institute of Chartered Accountants of India.
- (v) In our opinion and to the best of our information and according to the explanations given to us, the said statements give a true and fair view :
 - a) in the case of Statement of Financial Position of the state of affairs of the Institute as on March 31, 2008; and
 - b) in the case of Income and Expenses Statement, of the Surplus for the year ended on that date.

Place : New Delhi
Date : August 5, 2008

for Singh Krishna & Associates
Chartered Accountants
sd/-
(Krishna Kumar Singh)
Partner
M. No. 077494

BALANCE SHEET AS AT MARCH 31, 2008

	Schedule	As at 31-Mar-08 Rs.	As at 31-Mar-07 Rs.
CORPUS/ CAPITAL FUND AND LIABILITIES			
Corpus/ Capital Fund	1	74,107,934	69,009,769
Reserves and Surplus	2	38,410,714	22,910,714
Deferred Income	3	8,948,716	-
Endowment/ Earmarked Funds	4	62,977,287	42,053,898
Current Liabilities and Provisions	5	24,536,965	27,714,028
TOTAL		208,981,616	161,688,409
ASSETS			
Fixed Assets (Including Capital Work-in-Progress)	6	50,142,439	35,491,228
Investments- Endowment/ Earmarked Fund	7	39,826,170	41,906,170
Investments - Others	8	64,420,000	58,285,000
Current Assets, Loans, Advances Etc.	9	54,593,007	26,006,011
TOTAL		208,981,616	161,688,409
Significant Accounting Policies	19		
Notes on Accounts	20		-
Schedules 1 to 20 form integral part of this Statement			

sd/
(C. Rajaram)
Accounts Officer

sd/
(J. M. Pandit)
Secretary

sd/
(Dr. M. Govinda Rao)
Director

sd/
(Dr. C. Rangarajan)
Chairman

As per our report of even date

for Singh Krishna & Associates
Chartered Accountants

sd/
(Krishna Kumar Singh)
Partner
M. No. 077494

Place : New Delhi

Date : August 5, 2008

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

	Schedule	As at 31-Mar-08 Rs.	As at 31-Mar-07 Rs.
INCOME			
Grants	10	30,562,653	22,954,967
Income from Academic Activities	11	44,247,179	28,780,914
Interest Earned	12	4,397,633	4,083,631
Other Income	13	3,076,490	2,574,858
Increase / (Decrease) in Publication Stock		60,976	(44,324)
Prior Period Income	14	-	378,276
TOTAL		82,344,931	58,728,322
EXPENSES			
Establishment Expenses	15	15,721,150	20,667,736
Expenditure on Academic Activities	16	39,729,886	24,360,988
Other Administrative Expenses	17	3,446,465	3,411,064
Depreciation (refer schedule 6)		2,634,130	2,898,270
Prior Period Expenses	18	215,135	5,568,241
TOTAL		61,746,766	56,906,299
Balance Being Excess of Income over Expenditure		20,598,165	1,822,023
Less : Transfer to Additional Liability Fund		500,000	500,000
Transfer to General Reserve		15,000,000	
Balance Being Surplus Carried to Corpus/ Capital Fund		5,098,165	1,322,023
Significant accounting policies	19		
Notes on Accounts	20		
Schedules 1 to 20 form integral part of this Statement			

sd/
(C. Rajaram)
Accounts Officer

sd/
(J. M. Pandit)
Secretary

sd/
(Dr. M. Govinda Rao)
Director

sd/
(Dr. C. Rangarajan)
Chairman

As per our report of even date

for Singh Krishna & Associates
Chartered Accountants

sd/
(Krishna Kumar Singh)
Partner
M. No. 077494

Place : New Delhi
Date : August 5, 2008

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2008

	As at 31-Mar-08 Rs.	As at 31-Mar-07 Rs.
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SCHEDULE - 1

CORPUS/ CAPITAL FUND

Balance at the beginning of the year	69,009,769	67,687,746
Add: Transfer from Income & Expenditure Account	5,098,165	1,322,023
	<u>74,107,934</u>	<u>69,009,769</u>
TOTAL	<u>74,107,934</u>	<u>69,009,769</u>

SCHEDULE - 2

RESERVE AND SURPLUS

A. Reserve for Additional Liability		
As Per Last Account	8,289,863	7,789,863
Addition during the year	500,000	500,000
	8,789,863	8,289,863
B. General Reserve		
As Per Last Account	14,620,851	14,620,851
Addition during the year	15,000,000	-
	29,620,851	14,620,851
TOTAL	<u>38,410,714</u>	<u>22,910,714</u>

SCHEDULE - 3

DEFERRED INCOME

Grant from the Central Government for Construction of Building for Research and Training Centre	<u>8,948,716</u>	<u>-</u>
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SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2008

SCHEDULE - 4

EARMARKED/ ENDOWMENT FUNDS

Particulars	Ford Foundation Endowment Fund (Rs.)	Government Endowment Fund (Rs.)	RBI Endowment Fund (Rs.)	Scientific Research Fund (Rs.)	Life Membership Fund (Rs.)	Bima Bagchi Award Fund (Rs.)	Jokhan Maurya Fund (Rs.)	Government Corpus Fund (Rs.)	Total (Rs.)
Initial Fund	6177924	10000000	15000000	727406	420000	50000	29300	20000000	
(a) Opening Balance of the Funds	13,688,189	10,000,000	16,609,832	1,009,869	639,165	65,005	41,838	-	42,053,898
(b) Additions to the Funds									
(i) Grants	-	-	-	-	-	-	-	20,000,000	20,000,000
(ii) Income from investments	1,054,920	832,000	1,151,631	58,936	33,600	4,000	2,000	-	3,137,087
Total (a+b)	14,743,109	10,832,000	17,761,463	1,068,805	672,765	69,005	43,838	20,000,000	65,190,985
(c) Utilisation/ Expenditure towards the objective of the fund	449,374	832,000	923,324	-	-	-	9,000	-	2,213,698
Total (c)	449,374	832,000	923,324	-	-	-	9,000	-	2,213,698
NET BALANCE AT THE END OF THE YEAR (a+b-c)	14,293,735	10,000,000	16,838,139	1,068,805	672,765	69,005	34,838	20,000,000	62,977,287

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2008

	As at 31-Mar-08 Rs.	As at 31-Mar-07 Rs.
SCHEDULE - 5		
CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
1 Sundry Creditors for Goods & Services	7,263,274	1,880,403
2 Earnest Money, Security Deposit & Retention Money	2,144,718	422,718
3 Grant and Project Fees Received in Advance (refer schedule 5 (a))	5,273,976	14,505,863
4 Grant Refundable to the Central Government	-	510,033
5 Statutory Dues	570,163	478,377
6 Other Current Liabilities	1,838,990	3,289,742
TOTAL	17,091,121	21,087,136
B. PROVISIONS		
1 Leave Encashment	7,418,343	6,392,610
2 Service Tax on Income to be Realised	27,501	234,282
TOTAL	7,445,844	6,626,892
GRAND TOTAL	24,536,965	27,714,028

SCHEDULES FORMING PART OF INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE - 5 (a)

ACADEMIC ACTIVITIES

	Unutilised Fund As At 1-Apr-07	Recoverable As At 01-Apr-07	Receipts During 31-Mar-08 The Year	Total	Utilised During The Year	Recoverable As At 31-Mar-08	Unutilised Fund As At 31-Mar-08
A. PROJECT FEES							
1 Study of the VAT System in Bihar	-	250,000	-	(250,000)	-	250,000	-
2 Preparation of State Development Report-(SDR) on Andaman & Nicobar Islands	-	300,000	300,000	-	-	-	-
3 Study on Alternatives to Octroi - Govt. of Punjab	-	150,000	-	(150,000)	-	150,000	-
4 Long Term Impact of overall imposts on the exploration and production of Crude Oil.	-	250,000	-	(250,000)	-	250,000	-
5 Preparation of State Development Report for Sikkim - Planning Commission	-	340,000	-	(340,000)	-	340,000	-
6 Study on Developing Norms and Standards for Core Civic Services - A&N Administration	-	175,328	175,328	-	-	-	-
7 Conduct research on Financing Human Development - UNDP Chattisgarh, Himachal Pradesh, Madhya Pradesh, West Bengal	5,379,025	-	-	5,379,025	5,206,506	-	172,519
8 Comparative Study of the Sales Tax System in Punjab- Vis a vis Other States- Govt of Punjab	142,500	-	-	142,500	142,500	-	-
9 Preparation of State Development Report for Mizoram- Planning Commission	-	1,003,200	-	(1,003,200)	-	1,003,200	-
10 Database on State Finances Covering 1987 to date - Planning Commission	-	298,440	354,048	55,608	55,608	-	-
11 Preparation of Report on State of India's Urbanisation - Ministry of Urban Development	-	950,000	1,119,099	1,69,099	-	-	169,099
12 UNAIDS Commission on AIDS in Asia and the Pacific	2,726,408	-	3,941,000	6,667,408	4,950,000	-	1,717,408
13 Fiscal Management Challenges in Indian States - World Bank	4,247	-	-	4,247	4,247	-	-
14 Govt of Goa-FRBM Rules and Medium Term Fiscal Plan 2005-10	-	156,000	617,161	461,161	461,161	-	-
15 Ministry of Urban Development - Development of Cities under JNNURM	908,767	-	-	908,767	908,767	-	-
16 Appraisal of City Development Plan - Ministry of Urban Development	846,400	-	-	846,400	1,739,600	893,200	-
17 North East Region - Vision 2020	1,765,280	-	1,960,977	3,726,257	4,185,557	459,300	-
18 Govt of Rajasthan - Study of subsidy and user charges in select services	-	-	250,979	250,979	100,000	-	150,979
19 An Annotated Bibliography of VAT in India using GSDL Software	-	-	68,809	68,809	68,809	-	-
20 World Bank-Improvement of Fiscal Health of Indian Cities	-	-	666,284	666,284	866,284	200,000	-
21 Strengthening of Financial Management Systems - ARC, GOI	-	-	517,444	517,444	400,000	-	117,444
22 Strengthening of Fiscal Decentralisation in Sri Lanka	-	-	6,373,443	6,373,443	6,373,443	-	-

SCHEDULES FORMING PART OF INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE - 5 (a)

ACADEMIC ACTIVITIES

	Unutilised Fund AS AT 1-Apr-07	Recoverable As AT 01-Apr-07	Receipts During 31-Mar-08 The Year	Total	Utilised During The Year	Recoverable As At 31-Mar-08	Unutilised Fund AS AT 31-Mar-08
23 Draft Stamp Bill- Government of Gujarat	-	-	529,549	529,549	756,496	226,947	-
24 Improving Revenue Generation and Social Protection in Developing Countries - South Africa	-	-	577,704	577,704	1,302,704	725,000	-
25 Research Programme on Capital Flows and their consequences - MoF, DEA	-	-	3,207,665	3,207,665	1,975,000	-	1,232,665
26 Study on Inter- State differences in Health Expenditures- Desigining & Implementing Equalization Scheme - WHO	-	-	522,750	522,750	522,750	-	-
TOTAL (A)	11,772,627	3,872,968	21,182,240	29,081,899	30,019,432	4,497,647	3,560,114
B. CHAIRS/ CELLS AND OTHER GRANTS							
1 UNDP Programme on Support for Policy Studies on Economic Reforms	1,096,143	-	72,401	1,168,544	-	-	1,168,544
2 CIDA - Poverty Reduction	294,795	-	-	294,795	-	-	294,795
3 South Asia Urban and City Management Course, Jaipur - World Bank	-	118,968	-	-	-	118,968	-
4 WRI - Electricity Governance	-	288,435	443,476	155,041	155,041	-	-
5 Cell on Data Bank	40,497	-	-	40,497	-	-	40,497
6 State Finance Cell	155,099	-	-	-	-	-	155,099
7 IDFC Chair	1,129,894	-	-	1,129,894	1,074,967	-	54,927
8 Planning Commission - State Finances Grant	-	-	300,000	300,000	300,000	-	-
9 SANEI, Pakistan-Cost of Urban Infrastructure.	16,808	-	259,634	276,442	276,442	-	-
10 Rural Decentralisation and Participatory Planning for Poverty Reduction - UNDP	-	1,203,713	3,828,029	2,624,316	2,624,316	-	-
TOTAL (B)	2,733,236	1,611,116	4,903,540	5,989,529	4,430,766	118,968	1,713,862
TOTAL (A+B)	14,505,863	5,484,084	26,085,780	35,071,428	34,450,198	4,616,615	5,273,976

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2008

SCHEDULE - 6

FIXED ASSETS

DESCRIPTION	Gross Block			Depreciation			Net Block			
	As at 1-Apr-07 Rs.	Additions Rs.	Sales / Adjustments Rs.	As at 31-Mar-08 Rs.	Upto 1-Apr-07 Rs.	For the Year Rs.	Sales/ Adjustments Rs.	Upto 31-Mar-08 Rs.	As at 31-Mar-08 Rs.	As at 31-Mar-07 Rs.
Fixed Assets										
1. Leasehold Land	18,197,718	-	-	18,197,718	-	-	-	-	18,197,718	18,197,718
2. Building	20,145,840	-	-	20,145,840	6,023,056	353,070	-	6,376,126	13,769,714	14,122,784
3. Data Processing Equipment	15,871,162	1,741,954	4,202,214	13,410,902	14,351,801	1,342,139	4,202,214	11,491,726	1,919,176	1,519,361
4. Office Equipment	4,265,598	20,460	-	4,286,058	4,200,138	44,803	-	4,244,941	41,117	65,460
5. Furniture and Fixtures	2,225,697	111,675	10,125	2,327,247	2,213,322	49,253	10,125	2,252,450	74,797	12,375
6. Hostel, Library, Computer & Seminar Room Furniture	3,651,894	-	-	3,651,894	3,642,847	3,619	-	3,646,466	5,428	9,047
7. Air Conditioner and Water Coolers	3,995,589	-	-	3,995,589	3,880,424	66,700	-	3,947,124	48,465	115,165
8. Electric Installations	3,214,083	-	6,500	3,207,583	3,157,481	54,972	6,500	3,205,953	1,630	56,602
9. Vehicles	901,981	-	-	901,981	901,979	-	-	901,979	2	2
10. Horticulture Equipment	93,927	-	-	93,927	93,927	-	-	93,927	-	-
	72,563,489	1,874,089	4,218,839	70,218,739	38,464,975	1,914,556	4,218,839	36,160,692	34,058,047	34,098,514
Capital Work - in - Progress	315,000	15,411,252	-	15,726,252	-	-	-	-	15,726,252	315,000
Fixed Assets acquired out of Foreign Contribution Funds										
1. Data Processing Equipment	9,880	-	-	9,880	6,586	3,294	-	9,880	-	3,294
2. Furniture and Fixtures	1,523,860	-	-	1,523,860	761,930	507,953	-	1,269,883	253,977	761,930
3. Horticulture Equipment	624,980	-	-	624,980	312,490	208,327	-	520,817	104,163	312,490
	2,158,720	-	-	2,158,720	1,081,006	719,574	-	1,800,580	358,140	1,077,714
Grand Total	75,037,209	17,285,341	4,218,839	88,103,711	39,545,981	2,634,130	4,218,839	37,961,272	50,142,439	35,491,228
PREVIOUS YEAR	73,548,973	1,488,236	-	75,037,209	36,647,711	2,898,270	-	39,545,981	35,491,228	-

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2008

	As at 31-Mar-08 Rs.	As at 31-Mar-07 Rs.
SCHEDULE - 7		
INVESTMENTS - ENDOWMENT/ EARMARKED FUNDS		
In Government Securities	36,076,250	30,635,920
Other Approved Securities	3,749,920	11,270,250
TOTAL	39,826,170	41,906,170

SCHEDULE - 8

INVESTMENTS - OTHERS		
In Government Securities	50,420,000	49,040,000
Other Approved Securities	14,000,000	9,245,000
TOTAL	64,420,000	58,285,000

SCHEDULE - 9

CURRENT ASSETS, LOANS, ADVANCES, ETC

A. CURRENT ASSETS:-

1. Inventories

Stock of Publications	248,649	187,673
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2. Sundry Debtors

	20,521	19,582
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3. Cash Balances in Hand (Including Cheques/ Imprest)

	11,395	11,218
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4. Bank Balances

With Scheduled Banks - Savings Accounts

Canara Bank Jit Singh Marg A/c No 1555	27,679,965	2,768,567
Canara Bank Jit Singh Marg A/c No 26094	5,000	5,000
Canara Bank Jit Singh Marg UNDP Saving A/c No 27431	10,758	90,860
State Bank of India JNU UNDP S A/c No 01100/035195	11,761	11,360

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2008

	As at 31-Mar-08 Rs.	As at 31-Mar-07 Rs.
With Scheduled Banks - Current Accounts		
State Bank of India JNU F.C. A/c No 01000/67160	617,168	109,313
State Bank of India JNU Current A/c No 01000/67135	51,157	5,101
Canara Bank Jit Singh Marg EEFC A/c	38,153	38,153
	<u>28,413,962</u>	<u>3,028,354</u>
B. LOANS, ADVANCES AND OTHER ASSETS		
1. Advances and other amounts recoverable in cash or kind or for value to be received:		
a) Festival Advance to Staff	11,400	10,650
b) Prepaid Expenses	2,995,818	2,366,652
c) Advance to Staff for Expenses	123,517	147,200
d) Advance for Expenses	626,163	489,979
e) Security Deposit	141,071	141,071
f) Advance to NIPFP PF Trust	10,343,370	10,722,121
	<u>14,241,339</u>	<u>13,877,673</u>
2. Income Accrued		
a) On Investments from Earmarked / Endowment Funds	844,860	850,758
b) On Investments - Others	832,395	936,635
c) Central Government Grant	2,383,653	-
d) State Government Grants	150,000	130,000
e) Other Grants and Project Fees (refer schedule 5 (a))	4,616,615	6,099,420
f) Course and Programme Fees	1,084,237	-
	<u>9,911,760</u>	<u>8,016,813</u>
3. Claims Receivable		
a) Income Tax Recoverable	1,745,381	764,698
b) Service Tax Recoverable	-	100,000
	<u>1,745,381</u>	<u>864,698</u>
TOTAL	<u>54,593,007</u>	<u>26,006,011</u>

**SCHEDULES FORMING PART OF INCOME & EXPENDITURE ACCOUNT FOR
THE YEAR ENDED MARCH 31, 2008**

	Year Ended 31-Mar-08 Rs.	Year Ended 31-Mar-07 Rs.
SCHEDULE - 10		
GRANTS FROM GOVERNMENTS		
A. GRANTS FROM CENTRAL GOVERNMENT		
Core Grant	4,949,609	2,000,000
Salary Grant	24,748,044	18,589,967
TRC Grant	-	1,500,000
TOTAL	29,697,653	22,089,967
B. GRANTS FROM STATE GOVERNMENTS		
General Support Grants		
Government of West Bengal	100,000	100,000
Government of Meghalaya	35,000	35,000
Government of Orissa	150,000	150,000
Government of Maharashtra	100,000	100,000
Government of Uttar Pradesh	100,000	100,000
Government of Punjab	100,000	100,000
Government of Tamil Nadu	100,000	100,000
Government of Nagaland	80,000	80,000
Government of Mizoram	50,000	50,000
Government of Gujarat	50,000	50,000
TOTAL	865,000	865,000
GRAND TOTAL	30,562,653	22,954,967

**SCHEDULES FORMING PART OF INCOME & EXPENDITURE ACCOUNT FOR
THE YEAR ENDE MARCH 31, 2008**

	Year Ended 31-Mar-08 Rs.	Year Ended 31-Mar-07 Rs.
SCHEDULE - 11		
INCOME FROM ACADEMIC ACTIVITIES		
Project Fees (refer schedule 5 (a))	30,019,432	12,561,475
Income from Chairs and Cells (refer schedule 5 (a))	4,430,766	7,058,322
Course and Programme Fees	9,796,981	9,161,117
TOTAL	44,247,179	28,780,914
SCHEDULE - 12		
INTEREST EARNED		
Interest earned from banks/ Fin. Institutions		
On Term Deposit with Schedule Banks	188,067	234,726
On Saving Accounts with Schedule Banks	62,739	109,168
On Government of India Securities	4,116,317	3,404,968
On Public Sector Financial Institutions	18,428	292,502
Interest received on Income Tax Refund	12,082	42,267
TOTAL	4,397,633	4,083,631
SCHEDULE - 13		
OTHER INCOME		
Sale of Publications	11,421	15,574
Royalty	1,342	13,790
Hostel Recoveries	2,395,140	1,899,109
Profit on Disposal of Assets	150,586	-
Miscellaneous Income	139,759	239,000
House Rent Recoveries	263,571	241,300
Consultancy Fees received from NIPFP Staff	62,046	166,085
Liabilities Written - off	2,896	-
Provision Written - off	49,729	-
TOTAL	3,076,490	2,574,858

**SCHEDULES FORMING PART OF INCOME & EXPENDITURE ACCOUNT FOR
THE YEAR ENDE MARCH 31, 2008**

	Year Ended 31-Mar-08 Rs.	Year Ended 31-Mar-07 Rs.
SCHEDULE - 14		
PRIOR PERIOD INCOME		
Project Income	-	187,298
Fees - Course and Programme	-	25,950
State Govt. Grant (Maharashtra)	-	100,000
Others	-	65,028
TOTAL	-	378,276

SCHEDULE - 15

ESTABLISHMENT EXPENSES

Salaries and Allowances	18,727,020	19,386,728
Bonus	78,326	71,543
Contribution to PF and Other Funds 1,857,425		1,798,677
Gratuity	82,422	1,484,773
Leave Salary	1,422,143	1,178,158
Staff Benefits and Welfare	1,394,633	1,612,536
EDLI & Admin. Charges	115,185	115,586
Consultancy Fees	557,898	1,325,489
	24,176,304	27,032,238
Less: Charged to Academic Activities	8,455,154	6,364,502
TOTAL	15,721,150	20,667,736

SCHEDULE -16

EXPENDITURE ON ACADEMIC ACTIVITIES

Project Fees (refer schedule 5 (a))	30,019,432	12,561,475
Income from Chairs and Cells (refer schedule 5 (a))	4,430,766	7,058,322
Course and Programme Fees	5,279,688	4,741,191
TOTAL	39,729,886	24,360,988

SCHEDULES FORMING PART OF INCOME & EXPENDITURE ACCOUNT FOR
THE YEAR ENDED MARCH 31, 2008

	Year Ended 31-Mar-08 Rs.	Year Ended 31-Mar-07 Rs.
SCHEDULE - 17		
ADMINISTRATIVE EXPENSES		
Traveling and Conveyance	269,061	293,416
Rates and Taxes	918,819	665,009
Electricity Charges	2,372,273	2,228,494
Water Charges	182,037	208,342
Printing and Stationery	618,128	567,388
Postage and Telephone	924,915	945,900
Repairs and Maintenance-Others	1,471,027	1,580,807
Car Petrol & Fuel Charges	155,543	168,610
Car Repair and Maintenance	31,190	43,692
Audit Fees	40,000	35,000
Audit Fees (PF TRUST)	5,000	5,000
Miscellaneous Expenses	334,419	323,014
Legal Expenses	263,114	291,700
Advertisement Expenses	989,790	71,086
Expenses on 25th Anniversary	90,000	-
Shortfall in Income of PF Trust	354,532	-
Books and Periodicals	3,282,064	1,110,761
Cost of Publications	285,201	235,203
Meeting and Seminar	140,189	49,048
General/ Governing Body Meeting	112,314	90,598
Insurance Expenses	38,671	39,437
Recoverable Written - off	4,656	24,559
	12,882,943	8,977,064
Less: Charged to Academic Activities	9,436,478	5,466,000
Less: Service Tax Recoverable	-	100,000
TOTAL	3,446,465	3,411,064

**SCHEDULES FORMING PART OF INCOME & EXPENDITURE ACCOUNT FOR
THE YEAR ENDED MARCH 31, 2008**

	Year Ended 31-Mar-08 Rs.	Year Ended 31-Mar-07 Rs.
SCHEDULE - 18		
PRIOR PERIOD EXPENSES		
Rates and Taxes	-	308,782
Consultancy Fees	39,990	-
Shortfall in Income of PF Trust	162,555	-
Leave Salary Provision for previous years	-	5,259,459
Travelling and Conveyance	1,348	-
Water & Electricity	6,320	-
Repair and Maintenance	230	-
Printing and Stationery	520	-
Books and Periodicals	4,172	-
TOTAL	215,135	5,568,241

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE -19

ACCOUNTING POLICIES

1. The financial statements are prepared on the basis of Historical Cost Convention and generally on the accrual method of accounting, unless otherwise stated. Corporate Membership Fees is accounted on cash basis.
2. Long term investments are stated at cost after deducting provisions made for permanent diminution in the value of such investments.
3. Fixed Assets are stated at cost of acquisition including incidental and direct expenses related to acquisition. Fixed Assets are valued at cost less accumulated depreciation.
4. 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 is charged at NIL rate. Depreciation on Building is charged at the rate of 2.5% p.a. on written down value basis. Assets purchased and put to use on or after 1st October of a year are depreciated during that year at half of the rates stated above.
5. Books and Periodicals purchased for library are charged off to revenue in the year of purchase.
6. Short term employee benefits are recognised as an expense at the undiscounted amount in the Income and Expenditure Account of the year in which the related service is rendered.
7. Post employment and other long term employee benefits are recognised as an expense in the Income and Expenditure Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to revenue.
8. Foreign currency transactions are generally accounted for in the books of account at the exchange rate prevailing on the date of the transactions.
9. Income on investments from Earmarked/ Endowment Funds are used for specific purposes of the funds. Balance of un-utilized income, if any, are kept in respective Earmarked/ Endowments funds.
10. Grants/ contributions received for specific purposes are initially treated as a liability and adjusted as per utilisation during the year. Grants, to the extent utilised for depreciable assets, are treated as deferred income and recognised in the Income & Expenditure Account on a systematic and rational basis. Generally, grants, to the extent utilised for revenue expenditure, are treated as income of the year.

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE - 20

CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS

1. Contingent Liabilities

- a. Liability in respect of court cases instituted against the Institute and by the Institute : Amount is not ascertainable.
- b. Maximum compensation which may be payable to National Institute of Public Finance and Policy Provident Fund Trust (NIPFP PF Trust) against loss to the NIPFP PF Trust consequent to embezzlement of Trust money is Rs. 1,07,22,121/-. The loss to NIPFP PF Trust will be compensated by the Institute to the extent it can not be recovered by the NIPFP PF Trust from the persons who are responsible for the embezzlement. The Institute has already paid Rs. 1,07,22,121/- as advance to the NIPFP PF Trust, which may be adjusted against the loss to the NIPFP PF Trust after settlement of court cases in this regard. However during the year under review the PF Trust has set off the provident fund amount payable Rs. 3,78,751/- to one of the main accused against embezzled amount and returned Rs. 3,78,751/- to the Institute.
- c. Delhi Jal Board (DJB) had issued water bills for the period from February 2004 to February 2007 amounting to Rs 7,32,176/- based on the meter reading from December 2006. Earlier, DJB was raising ad-hoc bills. The Institute assessed its liabilities for that period at Rs. 4,01,051/- and paid the same on March 29, 2007. As per Institute's assessment there will be no further liability towards the water charges for that period and accordingly no provision has been made for disputed water bill of Rs. 3,31,125/-.

2. Capital Commitments : Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.1,01,44,854/- (Previous Year Rs. Nil)

3. Leasehold land includes land premium Rs. 1,21,76,966/- and relocation charges Rs. 53,82,000/- paid to DDA for allotment of land measuring 2800 sq. mts. located adjacent to the existing NIPFP Compound in terms of allotment letter dated 27.04.2000. DDA has handed over the possession of the land to NIPFP on September 11, 2001, however execution of lease deed is pending due to fixation of land rates by the Central Government.

4. Account balance under sundry debtors, advances, project fees receivables, sundry creditors and gratuity payable are subject to confirmation, reconciliation and consequential adjustments, if any.

5. Contribution to Defined Contribution Plan, recognised as expense for the year are as under:

Employer's Contribution to Provident Fund	Rs. 13,13,955/-
Employer's Contribution to Pension Scheme	Rs. 4,84,722/-

The Employees' Gratuity Fund Scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which

recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

The principal actuarial assumptions used as at the balance sheet date are as under :

a) Economic Assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

		31/03/2008
i)	Discounting Rate	8.00 %
ii)	Future salary Increase	5.50 %
iii)	Expected Rate of return on plan assets for Gratuity (funded)	8.00 %

b) Demographic Assumption

i)	Retirement Age	60 Years	
ii)	Mortality Table	LIC (1994-96) duly modified	
iii)	Withdrawal Rates	Ages	Withdrawal Rate (%)
		Up to 30 Years	3.00
		Up to 44 years	2.00
		Above 44 years	1.00

6. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary to make them comparable with the current year's figures.

Signatories to schedule to 1 to 20

sd/
(C. Rajaram)
Accounts Officer

sd/
(J. M. Pandit)
Secretary

sd/
(Dr. M. Govinda Rao)
Director

sd/
(Dr. C. Rangarajan)
Chairman

As per our report of even date

for Singh Krishna & Associates
Chartered Accountants

sd/
(Krishna Kumar Singh)
Partner
M. No. 077494

Place : New Delhi

Date : August 5 2008

