



**Annual Report 2006-2007**



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

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## 1 Overview

*The year 2006-07 marks the completion of 31 years in the life of National Institute of Public Finance and Policy (NIPFP). Like in the past, the Institute has continued to make significant contribution to policy research, contemporary policy debate and advocacy, and capacity building. In fulfilling its objectives, NIPFP has continued to assist and guide various central and state governments and expert committees and commissions in analysing and evaluating the existing policies and exploring reform options. The faculty of the Institute has contributed to the work of various policy advisory and expert bodies. The Institute has also undertaken a number of national and international training programmes for government officials and university teachers.*

*An important development during the year was the appointment of a Peer Review Committee by the Ministry of Finance to evaluate the work of the Institute. This was the first review in 30 years and in the report submitted to Ministry of Finance, the Committee states, “...Over the years, NIPFP has established a reputation for research in public economics and fiscal policy.” (Para. 18), “...The research output of the Institute enjoys credibility not only within the policy makers in the Government but also with academia, donor institutions and corporate sector.” (para. 19), “... the Institute has established a reputation for its work in the area of public finance and fiscal policy. The Institute has also fulfilled its mandate on all four pillars of its work programme: research, training, dissemination of knowledge and expertise, and networking with other institutions.” The Committee has also made important recommendations*



*to, inter alia strengthen the quality control system, client feedback mechanism, and undertake proactive research on contemporary policy matters.*

*The highpoint of the year for NIPFP was the honour*

*Dr. Raja J. Chelliah being felicitated at NIPFP upon the conferment of Padma Vibhushan, April 6, 2007*




Dinner hosted by Mrs. & Dr. C. Rangarajan in honour of Dr. Chelliah Padma Vibhushan Founder Director NIPFP, at India International Centre, New Delhi

*bestowed on its founder Raja J. Chelliah by the Government of India by conferring Padma Vibhushan on him. With this, we have the consul of both our founder and past Chairman, Raja Chelliah and the present Chairman C. Rangarajan decorated with the title. Indeed, this is a much deserved recognition as Chelliah is one of the few original reformers who made tremendous contribution to applied research in fiscal economics and provided*

*analytical underpinning for fiscal policy calibration in India. Besides his contribution to research and policy, he built institutions of rare quality, dedication, and commitment. The NIPFP family feels extremely proud of his achievements and honour and wish Chelliah well and hope he would continue to guide the institution for many more years.*

*As in the past, the NIPFP was productive in its research output. During 2006-07, twenty one projects were completed and a further twelve studies are in progress. The Institute's faculty brought out seven working papers besides a paper each for the Tax Research Unit and Financing Human Development Project (list at Annexure I). A Policy Brief series, supported by the Planning Commission and UNDP, was instituted under the Financing Human Development Project to stimulate policy discussion on specific issues by summarising the results of research carried out at NIPFP and elsewhere under this broad theme.*

*The faculty of the Institute continued with its productive contribution to policy reform at the centre, state, and local levels in the country. They accepted lead roles as chairpersons and members in steering committees, working groups or subgroups. They also rendered advice to international donor agencies in their respective areas of expertise. Some key contributors during 2006-07 included C. Rangarajan Chairman, NIPFP, who continued to be Chairman of the Economic Advisory Council to the PM. He chaired the committee on **Financial Inclusion** and submitted a draft report to the Government. C. Rangarajan was also called upon to head the Independent Commission on AIDS in Asia and Pacific Region M. Govinda Rao, Director, NIPFP; was appointed as Chairman, Steering Group on Financial Resources, Bihar State Planning*




Board. He was also the appointed Member, Steering Group on Financial Resources besides serving membership in several advisory groups. Indira Rajaraman, RBI Professor, as Chairperson of the Public Expenditure Review Committee, Kerala, submitted two reports to the Government of Kerala. Several members of the NIPFP faculty were inducted by the Planning Commission and important central ministries as members in their working groups or sub groups to give inputs and formulate suggestions for the Eleventh Five Year Plan in areas of critical importance, such as: Centre's Financial Resources; Planning at the Grassroots level; North Eastern Region; Power; Urban Development; Poverty Alleviation Programmes; and Social Protection Policies. The NIPFP faculty played a vital role in two groups of the Oversight Committee appointed to implement reservation policy for backward classes in higher educational institutions.

Projects completed during 2006-07, such as studies pertaining to **State Finances of Madhya Pradesh; Goa; and Karnataka**, and the **Development Report of Mizoram** focused on the fiscal reform options in these states. Local fiscal issues and studies on decentralisation, gender responsiveness in budgeting, and financing human development provided insights into the ways of improving participatory planning to reduce poverty, recognising gender sensitivity in policies and women's empowerment. The Tax Research Unit made suggestions for tax exemptions and preferences to the Ministry of Finance for calibrating tax policy.

Research at NIPFP was also focused on the financial implications of urban infrastructure and the various schemes under the National Urban Renewal Mission to develop norms and standards for core civic amenities. The NIPFP completed projects in electricity governance; and on the impact of increase in oil prices, the subsidy element, and reform in the taxation of petroleum, crude, and natural gas in the country.

At the behest of UNDP, Nigeria, the first phase of the project on **Capacity Building of Fiscal Reforms** covering three states in Nigeria was completed. This was followed by a detailed training programme for the Governors and officials of the states of Akwa Ibom, Kano, and Ondo. Nine weekly training programmes on **Practical Issues of Tax Policy and Tax Administration in Developing Countries** for the officials of the Revenue Department of Government of Sri Lanka were completed during the year. Likewise **Promoting Peer-group Dialogue in Public Economics**, was conducted in collaboration with the World Bank for University and College teachers from South Asia. The participants included university teachers and government officials from all the countries of South Asia. The course was aimed at providing the teachers access to latest developments in public finance and cutting edge exposure to research advances. The objective of the programme was to improve the analytical capabilities of the teaching and research staff in public finance areas. This has also



helped to build a bridge with the teaching community in the universities and hopefully, the programme will become an annual feature. Training programmes in fiscal policy for officials from Afghanistan and Bhutan India were also conducted at the request of their respective governments.

The Institute also conducted many workshops during the year. Notable among the workshops were on **Tax Administration and Information System** in which three presentations were made by NIPFP faculty to assess the impact of exemption — SEZs, charitable institutions, and capital gains in the tax policy. The workshop on **Planning at the Grassroots Level** evolved a roadmap for formation of District Planning Committees. Furthermore, the NIPFP collaborated with the World Bank to conduct a one-day roundtable conference on **Improving the Fiscal Health of Cities: An International Perspective**. At the request of the India International Centre, NIPFP also presented seminars on **Power Sector Reforms** and **Union Budget 2007-08**. In addition to the above, 13 in-house seminars presented by eminent speakers from India and abroad were held at NIPFP (list at Annexure II).

NIPFP's Computer Unit constantly upgraded and maintained its IT capabilities to assist the professional and support staff of the Institute. Databases on state finances in conformity with specific requirements of the Planning Commission, and collection and updation of budgetary data under the **Public Finance Information System** of the Institute, was facilitated by the latest software made available by the computer unit. Substantial additions continued to be made to the library stock, while its operations remained automated in tandem with this electronic aid. The Publications Unit continued to disseminate research findings through the internet and publications.

The Governing Body of the Institute (list at Annexure III) under the chairmanship of C. Rangarajan met twice to discuss the important academic and administrative activities undertaken at the Institute. The Director's continuous endeavour during the last few years to make the Institute more and more functionally autonomous resulted in the constitution of a Peer Review Group headed by Deepak Nayyar. L. Gurumurthy joined the Institute as Secretary in June, 2006. Soon after, he conducted a training programme for the Desk Level Administrative Staff and Officers of NIPFP to hone their administrative/financial skills.

During the year under review, Pinaki Chakraborty was elevated to Fellow, Ila Patnaik and Ajay Shah joined NIPFP as Senior Fellows, and Swapna Mukhopadhyay as Adviser. Navroz Dubash, IDFC Chair Professor, left NIPFP to join the JNU. Bulbul Sen, Principal Consultant left the Institute in the first quarter, to join back the Indian Revenue Service. Indrani Roy Chowdhury and Debdatta Majumdar, Economists, left NIPFP to study at ISI, Delhi, and work at Jamia Milia Islamia University respectively.



## 2 Research Activities

*During the year 2006-07, some projects undertaken during the previous years were completed while some new ones were initiated. Details of the completed projects and those in progress are summarised in the following paragraphs.*

### CENTRAL FISCAL STUDIES


#### COMPLETED STUDIES

- **Ex-post Gender Sensitive Analysis of Union Budget 2006-07**, *Lekha S. Chakraborty*

*Prima facie*, budgets appear to be gender neutral. But the budgetary policies can have differential impacts on men and women due to systemic differences in their access to public services. Gender budgeting aims at examining the expenditure allocation through a gender lens. The project critically examines the approach and methodology of sensitising financial allocations through gender budgeting initiatives in India. The analysis revealed that visible gender allocations in the recent budget — both specifically targeted programmes for women and pro-women allocations — constituted only 5 percent of the total budget; sectoral analysis revealed that higher budgetary allocations *per se* do not mean higher spending; there exist significant deviations in budget estimates and actual spending. Expenditure tracking surveys are required to analyse these deviations. There is also an urgent need to strengthen the system of unit cost and units utilised across gender to undertake periodic gender disaggregated benefit incidence analysis (BIA) to analyse impact of skewed gender differentials in the distributional impacts of public expenditure. Policy implications arising from the analyses are that transparency of gender sensitive budgetary allocations needs to be ensured for accountability; however, earmarking public expenditure for women is only the second best principle of gender budgeting.

- **Taxation of Petroleum Crude and Natural Gas in India** *Tapas K. Sen, Surender Kumar with assistance from Gautam Naresh*

Submitted to the Committee to Examine the **Impact of Overall Imposts on Petroleum Crude and Natural Gas** set up in the Ministry of Petroleum and Natural Gas, this study takes a comprehensive look at the taxation of upstream petroleum sector as also natural gas starting with a review of the theoretical aspects and selected empirical research. It then focuses on the taxation element in the finances of two nationalised oil companies in the context of the Indian



system of taxation of this sub-sector. For reference, it compiles some information on taxation of this sector in several oil-producing nations, and discusses related issues in fiscal federalism. Finally it makes suggestions in regard to possible reforms in the system of taxation of crude petroleum and natural gas.

- **Tax Enforcement Index** *A. L. Nagar, Sanjay Kumar, and Sayan Samanta*

The study examines the effectiveness of direct tax administration in India through an econometric model, taking into account the tax collections. It constructs a tax enforcement index treating enforcement as a latent variable through principal component analysis, and attempts policy recommendations for improving the efficiency and effectiveness of tax administration. The paper takes tax rates as given. It does not attempt designing the tax administration; rather focuses only on the effectiveness of tax administration.

- **Projection of Corporate Tax and Personal Income Tax Receipts for FY 2006-07** *A. L. Nagar, Sanjay Kumar, and Sayan Samanta*

As part of the annual exercise of forecasting direct tax receipts, this paper provides tax projections for CT and IT for FY 2006-07. The forecasts are based on actual tax collection upto the end of second quarter (i.e., upto September 30, 2006) and projections for the third and fourth quarters.

- **Updated Projections of Tax Receipts (CT & IT) for FY 2006-07 and Projections for 2007-08** *A. L. Nagar, Sanjay Kumar, and Sayan Samanta*

This paper provides revised forecasts on CT and IT for FY 2007-08. The revised forecasts are based on actual tax collection upto the end of the third quarter (i.e., upto Dec. 31, 2006) and projection for the fourth quarter.

## STATE FISCAL STUDIES

### COMPLETED STUDIES

- **Madhya Pradesh Public Expenditure Management** *M. Govinda Rao and Pinaki Chakraborty*

This programme is designed to enable the GoMP to strengthen performance management in a sustainable manner for effective poverty reduction and human development. The objective of the programme design is to develop a comprehensive framework for Public Expenditure Management by devising a Medium Term Expenditure Framework (MTEF) and link it to annual budgets.



- **Finances of Karnataka: Fiscal Implications of Pay Revision** *M. Govinda Rao and Pinaki Chakraborty*

At the behest of the Pay Commission of Karnataka, the study is undertaken. The objective is to examine the extent of fiscal space required to carry out a pay revision. Based on plausible assumption of salary hike across scales and group of employees, and future revenues and expenditures, the study examined the fiscal implications of salary hike. The study has also examined the impact of salary hike within MTFP framework of Karnataka Government and the question of fiscal sustainability thereon.

- **Medium-term Fiscal Policy Plan for Goa** *M. Govinda Rao and Pinaki Chakraborty*

The project, sponsored by the Government of Goa, aims to develop a medium-term fiscal policy plan for the period from 2006-07 to 2008-09 with rolling targets for various deficits and stock of state debt. Having analysed the recent trend in Goa State Finances and after examining in detail the *FRBM Act of Goa*, fiscal restructuring paths with detailed prescriptive targets of revenues and expenditures to adhere to the FRBM targets have been suggested.

#### *ON-GOING STUDIES*

- **Progress of Implementation of VAT and Internal Resource Mobilisation: A Study of Bihar** *M. Govinda Rao and Pinaki Chakraborty*

The study is making an attempt to evaluate the progress of implementation of VAT in Bihar, and to suggest an administrative restructuring of the Commercial Tax Department.

- **Sustainability and Solvency of States' Indebtedness** *Manmohan Agarwal*

The study attempts to build an econometric model to work out debt sustainability conditions at the state level.

- **Inter-state Equalisation in Health Expenditures** *M. Govinda Rao and Mita Choudhury*

The study analyses the inter-state differences in health expenditures. It also attempts to work out an equalisation model using two alternative approaches. In the first, expenditure needs of the states will be analysed on the basis of physical requirements of inputs for the provision of health services such as health centres, doctors and paramedical personnel, hospital beds, and medicines based on predetermined norms. This should form the basis of equalisation. In the second, the costs functions for delivering health services will be estimated using an econometric model, and equalisation requirements will be estimated thereon.

## STATE DEVELOPMENT STUDIES AND VISION DOCUMENTS

### COMPLETED STUDIES

- **State Development Report of Mizoram** *R. Kavita Rao, Gautam Naresh, and Indrani Roy Chowdhury*

The report seeks to assess the problems and identify potential directions for development of the state. It identifies *jhum* based cultivation as one of the important economic and cultural parameters of the state, and seeks to incorporate implications of the same for developing a strategy. The proposed strategy involves two-pronged approach — i.e. through primary and tertiary sectors. For the primary sector, the suggested approach deals both with organisational issues and consolidation of a diverse portfolio of activities. In the tertiary sector, the strength of the state is located in the relatively higher levels of education in the state. The strategy therefore is to encourage development of a health hub in the state, with a vision to cater to the needs of all states in the northeast, since these services are rather limited to this region, and Mizoram has the requisite climate and political atmosphere for such an activity. This would require not just investment in physical infrastructure, but also gradual evolution in markets, especially labour market, for the transition to become effective.

### ON-GOING STUDIES

- **North-Eastern Region Vision 2020** *Rita Pandey, Gautam Naresh, Anuradha Bhasin, Alokesh Barua, and Manoj Pant*

The main goal of the vision document is to formulate a common development strategy for the north-eastern region to create sustainable income generation opportunities by empowering the people through education and employable skills, and building requisite social and physical



infrastructure. Specifically, the objectives are to understand the commonality of the nature and characteristics of NER's potential and strengths, and fundamental problems on constraints in development; to identify sectors/ areas that can share/ have

Mr. Mani Shankar Aiyar, Hon'ble Minister for *Panchayati Raj*, Youth Affairs, Sports and DoNER at a workshop on **Preparation of NER Vision 2020 Document**, March 2, 2007

potential for a common development policy in terms of both economic logic and socio-political feasibility within the region; and to suggest sectoral strategies for economic development in a framework in which the NER is integrated with mainstream India, and to develop strong economic and cultural contacts with its neighbouring countries.

## LOCAL FISCAL ISSUES

### COMPLETED STUDIES

- **Working Group on Urban Development for the Eleventh Five Year Plan** *O.P. Mathur*

Om Prakash Mathur chaired the sub-group on Urban Development constituted by the Ministry of Urban Development and the Planning Commission. The sub-group was responsible for formulating suggestions on how urban development might be approached in the Eleventh Five Year Plan.


- **Rural Decentralisation and Participatory Planning for Poverty Reduction** (*February 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 was commissioned to report 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 terms of reference ask for an assessment of 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 2006-07; the utilisation of these receipts by *Panchayati Raj* Institutions, alongwith own revenues collected by them and the state of fiscal monitoring, based on a field survey of 780 sample *gram panchayats*, 78 *janpad panchayats*, and 17 *zilla panchayats* in the four states. The seventeen districts covered are the initial set of nine backward districts pre-selected by UNDP and an additional eight districts with lower deprivation characteristics.

- **Cost of Urban Infrastructure: Evidence from Indian Cities, South Asia Network of Economic Research Institutes** (*May 2006*) *Kala S. Sridhar, O.P. Mathur, and A. Nandy*

This research study examined the costs of providing urban infrastructure services. The marginal costs of providing water supply are estimated, using data from several cities of India. The findings suggest that the supply of every additional kilolitre of water imposes extra burden on the cities in the Rs. 2.62 to Rs. 5.05 range, as marginal operating costs. Even based on these short-run marginal cost estimates, some Indian cities such as, Jaipur and Pune, are found to be undercharging their water. As far as the other urban services are concerned, cities' per capita





expenditure on basic services such as street lights and toilets appeared to be abysmally low, let alone adequate, in any sense, to meet the demands of an increasing population. The study finds weak municipal finances still the core of the issue.

- **National Urban Renewal Mission** *O. P. Mathur*

- a. JnNURM City Development Plan Appraisals**

The National Institute of Public Finance and Policy (NIPFP) under the aegis of the Ministry of Urban Development, completed appraisal of twelve cities under the scheme of the City Development Plans.

- b. Tracking the Urban Reform Agenda under the JnNURM**

The JnNURM requires cities applying for assistance to lay down a time schedule for implementing the proposed reform agenda. The agenda comprises of reforms that (i) are to be undertaken by urban local bodies (ULBs); and (ii) those that need to be undertaken by the state governments.

The NIPFP has been entrusted with the task of tracking the urban reform agenda for 20 JnNURM cities. The exercise is likely to conclude by March 31, 2008. Preparations including primary survey in the form of questionnaires, have been completed. As a test case, the urban reform agenda in two cities, namely, Jaipur and Ajmer - Pushkar, have been completed.

- **Norms for Provision of Core Civic Service and Octroi for Andaman & Nicobar Islands**  
*O.P. Mathur and Kala S. Sridhar*

The objectives of the study were to develop norms and standards for core civic services comprising safe drinking water, sanitation, including sewerage, road maintenance and street lights for urban areas; work out financial implications of these norms; and study the existing octroi system in the Andaman and Nicobar Islands and finally recommend specific actions for restructuring the invoice-based octroi. The average consumption of water at the time of the survey was 90 litre per capita daily (LPCD). The results of the household survey (desired 130 LPCD) broadly concur with the ideal supply standard (of 135 LPCD) proposed by the National Commission on Urbanisation for urban areas. Two scenarios for norms regarding PBMC's water supply: increase water supply by 50 LPCD; increase water supply by 100 LPCD are considered. If increases in *Operations and Maintenance* and establishment expenditure alone were to be financed by user charges, then the increase required in the user charge is an average increase of Rs.73 per month per household (for an extra 50 LPCD) or an increase of Rs.146 per month per household (for an extra 100 LPCD). The recommendations list five proposals for restructuring

octroi. The study team found that all proposals for octroi restructuring yield greater net revenue to the PBMC than its net current revenue (for 2004-05) which was Rs.223 million.

• **Strengthening Fiscal Capacity of Indian Cities: Implications for Revenue, Service Delivery and Economic Activity** *M. Govinda Rao, Somik Lall, and Simanti Bandyopadhyay*

The project intends to analyse in detail the pattern of urbanisation in India from economic, fiscal, and political viewpoint. Some major questions related to growth of cities in India identified so far, to be addressed are: Do variations in public services and infrastructure matter for city growth? If yes, what factors explain the variation in public service provision across cities? Does mobile capital move from low amenity to high amenity cities? Do new investments systematically avoid low amenity areas? Do agglomeration economies and various forms of natural advantages compensate for poor quality infrastructure and public services?. Does political patronage matter in terms of allocating transfers from the state to urban local government?.

The project intends to compile and collect city level data from different sources like the census, CMIE (CAPEX), GIS, various reports, besides independent surveys. The methodology includes GMM and other techniques of Panel Data Regression in simultaneous equation framework. At a later stage, an efficiency analysis at the municipality level would also be attempted.

*ON-GOING STUDIES*

• **Preparation of a National Report on State of India's Urbanisation** *O. P. Mathur, and A.K. Halen*

Work on preparation of the report continued in the financial year 2006/07. The presentation of the draft results of the work will be made in a seminar scheduled for June 6, 2007.

• **Improving the Fiscal Health of Cities in India: A Pilot Study** *M. Govinda Rao, Kala S. Sridhar, Simanti Bandyopadhyay, and Satadru Sikdar*

The primary purpose of the project, sponsored by the World Bank, is to evaluate the fiscal condition of local governments within a sample of Indian metropolitan areas, namely, Delhi, Kolkata, Pune, Hyderabad and Chennai. The project is sponsored by the World Bank, New Delhi.

**ENVIRONMENT, ENERGY, GENDER, AND HUMAN DEVELOPMENT**

*COMPLETED STUDIES*

• **Modeling Economic Impact of Oil Price Changes on Indian Economy – Methods and**

## Applications *Subrata Mandal*

Following issues were analysed:

- Estimation of demand of petroleum products for the period upto 2025. The demand estimates have taken into consideration the substitution of liquid petroleum products by natural gas, CNG, etc. The demand projections reflect a change in the structure of product mix. Demand for high speed diesel and superior kerosene oil is likely to decrease due to high rate of substitution, while demand for aviation turbine fuel is likely to grow at a higher rate. Demand for naphtha, liquified petroleum gas, motor spirit and furnace oil is likely to follow the trend rate. The study uses multiple correlation forecasting and vector autoregression (VAR) methods for estimating the demand.
- On the economic side, for setting up new refineries, the report recommends a minimum crude refining capacity of 15 MMT with integrated petrochemical production facility of 3 MMT capacity. On the feasibility of setting up export oriented refineries, the report estimates, by making regionwise global demand and supply projections, shortage of upgraded refined products which would keep refinery margins high in the mediumterm. The risk of a sudden plunge in the refinery margins due to global warming or development of substitutes has also been highlighted.
- Economic rationale for subsidy on domestic LPG and PDS kerosene and whether it needs to be restricted to certain categories of consumers. The report argues for discontinuation of subsidy on LPG and better targeting of kerosene subsidy to below poverty line population only. For better targeting of kerosene subsidy, it proposes alternatives like (a) cash transfer; (b) coupon system; and (c) use of smart cards.
- Economics of using (a) piped NG or LPG (b) SKO *viz.* LPG. Piped natural gas is likely to be 30 percent cheaper than LPG. The main hurdle for substitution of SKO by LPG is high installation charges.
- The basis for pricing of petroleum products *viz.* import parity pricing, trade parity, cost plus, or any other basis. The report recommends adoption of export parity pricing and eventually move to market determined prices. This would bring about more efficiency in the refining sector and lessen the cost burden on consumers. The report argues for removal of arbitrary transfers among the government and public sector upstream and downstream companies to make pricing policy transparent and to enable fair competition among all players.
- The optimum level of taxation of petroleum products *viz.* customs duty, excise duty, VAT. The report emphasises on the need to overhaul the tax structure. It recommends (a) lowering of



rates of central taxes, lowering and harmonising rates of state taxes, and abolishing local taxes; (b) introducing value added tax for petroleum products; and (c) bringing petroleum products within the framework of goods and service taxes to be implemented by 2010.

- **Electricity Sector Governance** *Navroz K. Dubash*

This project has developed indicators of good governance for the electricity sector that span legislative, executive, and regulatory processes. The indicators have been tested in four Asian countries: India, Indonesia, Philippines, and Thailand. The results are being disseminated to international agencies, governments, regulators, and civil society. The project is in collaboration with the World Resources Institute (USA), and *Prayas-Pune*.

- **Fiscal Decentralisation and Local Level Gender Responsive Budgeting** *M. Govinda Rao, Amaresh Bagchi, Lekha S. Chakraborty, in association with Samik Chowdhury and Darshy Sinha*

The study examined the fiscal decentralisation process through a gender lens in selected five countries, *viz.*, Mexico, Morocco, Philippines, South Africa, and India. The study noted that if the budgetary process is to yield significant benefits for women, gender budgeting in the narrow sense of earmarking a minimum fraction of expenditure of every government department might not be very helpful. Given that most of the public services that concern women or address their needs are by and large delivered at the local level, the first requirement for gender orientation of a government budget is to empower local governments adequately to take care of these concerns, that in turn implies decentralisation in the true sense and not just as a matter of form. While all the countries surveyed have attempted to move in the direction of gender budgeting, progress in the matter of fiscal decentralisation and women's empowerment has been uneven across countries. The message reflected through these studies is that if gender concerns are to be effectively attended through the budget process, decentralisation in the true form must be followed *i.e.*, without any problems of unfunded mandates and with adequate feminisation of local governance and effective voice in public expenditure decisions.

- **Gendering Microfinance In India: A Study Of SGSY**, *Lekha S. Chakraborty and Darshy Sinha*

The specific objectives of the project are the following seven: (i) to identify the access and utilisation patterns of microfinance programmes across gender; (ii) to analyse the structure of interest rates, loan portfolio, pattern of collateral (if any), frequency of repayment terms, any evidence of *Ponzi* finance across gender; (iii) to analyse whether 'peer monitoring' instead of tangible asset-based collateral ensure better welfare of women borrowers; (iv) to analyse the determinants of the 'Self Help Group (SHG)' formation process and their participatory management in microfinance programme in reducing the transaction costs of both banks and

borrowers; (v) to analyse the feedback mechanism of microfinance and economic activity, whether microfinance is a strategic tool for income generating activities and poverty alleviation; (vi) to analyse whether access to microfinance leads to economic empowerment of women through improving the bargaining power of poor women in intrahousehold and societal decision making processes; and (vii) to analyse that the financial implications of microfinance on bank branch business as attaining financial viability and sustainability are the two institutional challenges of microfinance programmes.

The methodology adopted is Control Group Methodology through longitudinal surveys across six banking zones of India in 12 blocks (out of which 6 are control blocks) to analyse the SGSY, the largest poverty linked microfinance programme.

The overall conclusion of the study is that any kind of subsidy targeted at the individual level must be stopped; instead the entire amount of central and state grant must be utilised for the development of human capital, viz., formation of SHG, training. This is based on the empirical evidence that subsidy seemed to be the major motivation factor for SHGs functioning under SGSY; therefore majority of SHGs have not generated economic surplus from their credit led assets. The recovery rate is barely 42 percent. The study emphasised that government machinery must take only a development role and leave credit decisions to banks. The gender lens applied to the study revealed that microcredit is not a panacea for economic underdevelopment; and it has not led to the economic and social empowerment of women in totality.

#### *ON-GOING STUDIES*

• **Financing Human Development in India** *Tapas K. Sen, H.K. Amarnath, Mita Choudhury, Anit Mukherjee, Sona Mitra, Protiva Kundu, Sandeep Biswal, Narendra Jena, and Krishanu Karmakar*

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 for 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. Using a broad framework approved by the Advisory Committee for this study, two state reports for Tamil Nadu and Madhya Pradesh were completed during the year. These reports have been presented before the sponsors and the respective state governments. Work on two other states, Orissa and West Bengal, are underway and preliminary drafts for these two states are likely to be completed soon.

• **Independent Economic Regulations: An Assessment of Accountability and Good Governance in the Electricity Sector** *Navroz K. Dubash*

This project aims to critically examine the practice of independent electricity regulation in India, an important, and new element of economic governance. Through engagement with regulators and consumer groups, and drawing on international practices, the project will examine the regulatory process and develop a set of recommendations for a practical, more democratic and effective governance of electricity. The project sponsored by U.K. Foreign and Commonwealth Office, is a collaboration of NIPFP and IIM, Bangalore.

## DATA BANK

### COMPLETED STUDIES

• **Database on State Finances** *Tapas K. Sen, Diwan Chand, Gita Bhatnagar, and Krishanu Karmakar*

This activity, sponsored by the Planning Commission, involved building up a database on state finances in conformity with the specific requirements of the Planning Commission, covering the years 1988-89 to the present. The primary data sources are the *Finance Accounts* of individual states, supplemented by some details from the budget and related documents. The database has been built up for all individual states including the special category ones.

### ON-GOING STUDIES

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

This database includes data on state government finances in some detail as an ongoing activity. It is nearly update (till 2004-05, starting 1987-88), and regular updation is done 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 put the entire data set on intranet.

## COLLABORATIVE STUDIES

### COMPLETED STUDIES

• **Capacity Building of Fiscal Reforms in three States in Nigeria** *M. Govinda Rao and Pinaki Chakraborty*

This project on capacity building for fiscal reforms was undertaken in three states in Nigeria, namely, Akwa Ibom, Kano and Ondo. This entailed three components: a policy retreat with the Governors, completed in November 2006; a workshop with senior officials in each of the three





states held in January/February 2007; and finally a detailed training programme on the subject.

#### *ON-GOING STUDIES*

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

A permanent cell to service the Committee has been set up at NIPFP. Its objective is to serve as the secretariat for the Standing Committee and prepare notes and papers for discussion. The next meeting of the Standing Committee is scheduled for May 11, 2007.

- **Independent Commission on AIDS in Asia** *Anit N. Mukherjee*

UNAIDS has nominated NIPFP as the Secretariat for the Independent Commission on AIDS in Asia, chaired by C. Rangarajan. The Commission will look into the problem of HIV/AIDS in Asian countries, specifically the socio-economic impact of the epidemic. The final report will be published in December, 2007.

- **Globalisation, Gender and Taxation in Developing Countries** *Lekha S. Chakraborty and Pinaki Chakraborty*

The project is coordinated through The Levy Economics Institute of Bard College, New York, funded by IDRC and Ford Foundation, at NIPFP. It was initiated with a project symposium on **Tax Incidence Analysis** in Durban, South Africa, during February 21-25, 2007; participated by selected countries under study; viz., Morocco, Argentina, UK, Kenya, Cameroon, Mexico, India, with experts from Cornell University and The Levy Economics Institute of Bard College, New York and IDRC.

### 3 Workshops, Conferences, and Seminars

- A workshop on ***Tax Administration and Information System*** was held on February 9, 2007. A presentation was made by C.B. Bhawe of the WSDL on the Tax Information Network, besides three presentations by the Institute on assessing the impact of certain exemptions such as the special economic zones, charitable institutions, and capital gains in the tax policy. Participants were from within NIPFP and outside.

Director NIPFP, Dr. M.G. Rao with participants at a workshop on ***Tax Administration & Information System***, Feb. 9, 2007



- A workshop titled, ***Capacity Building for Fiscal Reforms*** was conducted at Kano and Ondo State Governments in Nigeria for the Governors, and senior officials of the two states by authors of the report on the same title. The objective of the workshop held during January 22-30, 2007, was to build the government's capacity for a sustainable fiscal policy.
- A half day workshop on ***evaluating the training curriculum*** of the National Academy of Customs, Excise and Narcotics, Faridabad, was organised at NIPFP on July 7, 2006. The participants included representatives of the Academy, Chairman CBEC, Revenue Secretary, Ministry of Finance, and the faculty of NIPFP. The need to expand the scope of training programmes to provide the probationers an overview of issues in public finance and the role of taxes in the overall scheme was endorsed.
- A workshop was held on May 8-9, 2006 to discuss the salient features of an expert group report titled, ***Planning at the Grassroots Level***. The workshop evolved a road map for the formation of District Planning Committees and to assist them in the preparation of District Plan which would be eventually integrated with the Eleventh Five Year Plan to usher a new era in



Mr. Mani Shankar Aiyar, Hon'ble Minister for *Panchayati Raj*, Youth Affairs, Sports and DoNER at the workshop on ***Planning at the Grassroot Level***, May 8-9, 2006



M. Ramachandran, Secretary, Ministry of Urban Development, at the roundtable ***Improving the Fiscal Health of Cities: An International Perspective***, Dec 19, 2006



Dr. C. Rangarajan, Chairman NIPFP with Professor Avinash Dixit (Princeton University) at a seminar given by the latter, August 3, 2006

local planning. The participants were Chief Secretaries and *Panchayati Raj* Secretaries of the states.

- A one-day roundtable conference on ***Improving the Fiscal Health of Cities: An International Perspective*** was held in collaboration with the World Bank, New Delhi on December 19, 2006. Participants included eminent academics and policymakers working in the area of urban infrastructure and finance besides the NIPFP faculty.

- At the request of the India International Centre, the NIPFP organised two seminars at India International Centre. The first on ***Privatisation of the Power Sector*** was held on February 20, 2007. The second seminar was on the ***Union Budget 2007-08*** was held on March 2, 2007.

*In pursuance of the objective of intradisciplinary interaction among the academic staff, the NIPFP continued to organise in-house seminars. During the year 2006-07, 13 in-house seminars were given by eminent academicians. Notable speakers among these were Vikram K. Chand, Senior Public Sector Management Specialist, The*



*World Bank; Avinash Dixit, Professor, Princeton University; Arvind Panagariya, Professor, Columbia University, New York; Manju Puri, Duke University; Yasuhiro Maehara, Hitotsubashi University; Dhir Jhingran Director MHRD and Deepa Sankar from the World Bank; Meine Pieter van Dijk, Professor Erasmus University; Dieter Rothermund, Professor of Heidelberg ; Prabhakar Singh, Branch Head, CMIE; and Stuti Khemani, The World Bank. The Institute's faculty and consultants also gave seminars on important topics. (Details are at Annexure II).*

## 4. Training Programmes

*A major activity of NIPFP during 2006-07 comprised of training programmes in public finance for public servants and academics at varied levels from within India and some neighbouring countries of South Asia. These were carried out in collaboration with governments, and bilateral and international donor agencies as listed below:*

- Training Programme on **Practical Issues on Tax Policy and Tax Administration in Developing Countries** were a series of nine training modules focused on major aspects of tax policy and administration for officials of the Revenue Department of Government of Sri Lanka. While the first two programmes had 30 participants each, the subsequent programmes had 40 participants each. These were held during April 3-6, 2006; July 17-21, 2007, August 28-Sept. 1, 2006; Sept. 18-22, 2006; October 16-20, 2006; November 20-24, 2006; January 7-12, 2007; February 19-23, 2007; and March 20-24, 2007.
- Training Programme on **Public Finance** for eight probationers of the Indian Audits and Accounts Service was held during January 15- February 3, 2007.
- Training Programme on **Public Finance and Budgeting** was held during September 15-21, 2006 for officials of the Government of Islamic Republic of Afghanistan. 10 participants attended the course.
- Training Programme, sponsored by the Department of Economic Affairs, Ministry of Finance, on **Fiscal Policy** during August 7-12, 2006, was held for 11 probationers of the Indian Economic Service.

- Training Programme on ***Promoting Peer Group Dialogue and Monitoring on Economic Management: Public Finance in South Asia***, a collaborative effort of NIPFP and the World Bank was held during May 29-June 23, 2007, for college and university teachers, or faculty in research institutions in South Asian countries. Participants hailed from Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, and Pakistan.
- Training courses on ***Public Economy Policy*** for Bhutan Government officials at the behest of the Royal Government of Bhutan. There were 20 participants in each of the two courses held during June 5-9, 2006; and May 22-26, 2006.
- In-house Training Programme for ***Desk Level Administrative Staff and Officers of NIPFP*** was held during September 11-15, 2006.

## 5. NIPFP Publications

The Institute produced nine working papers on current economic issues besides one each under the aegis of the Tax Research Unit, and Financing Human Development Project, a new series instituted during the year. A *Policy Brief* on “Public Spending on Health in Low Income States and Central Transfers” was also brought out under this project.

The half yearly newsletters brought out in July 2006, and January 2007, disseminated the academic activities of the core faculty pertaining to their completed and new projects, publications, presentations and lectures in national and international seminars, conferences, and training courses, appointments and honours conferred upon them, and related developments.

The Annual Report 2005-06, as in the past, compiled details of all research and academic activities at NIPFP as also the *Annual Accounts* of the Institute. Copies of the English and Hindi versions were sent to the Ministry of Finance for being tabled in the Parliament during the winter session.

(A complete list of the Institute’s Priced Publications is at *Annexure IV*)

## 6. Library and Information Centre

### LIBRARY

The NIPFP library has grown up to be one of the leading professional research and reference libraries in India, or even South Asia, with specialised literature on public finance and policy. All bibliographic details of the books, reports, journals, and CD-ROM databases are accessible through OPAC on the campus wide network. The library has also started subscribing to e-journals from *Science Direct* and *JSTOR* this year. Printed journals can as well be accessed through FOAP mode (free on-line access against print). The Institute's library has established communication with over 150 national and international organisations for exchange of NIPFP publications and resource sharing activities. Nearly 1700 external research scholars and government officials visited the library during the year.

### COLLECTION DEVELOPMENT

The library added 1359 new documents and 448 working papers (165 from other institutes and 283 from IMF alone during the year 2006-07) to its collection. Most of the working papers have been received on complimentary and exchange basis from national and international research institutes. It provides the facility of accessing three CMIE databases in digital form namely, *PROWESS*, *CapEx*, and *RMS* (regional monitoring services). Overtime, as many as 103 CD-ROMs have been procured and added to the collection, apart from the CD-ROMs attached with various books. In view of the hybrid library movement towards the electronic collection development policy of the year 2006-07, the library acquired the following databases in the CD-ROM format.

#### Numerical Database

- IMF- Balance of Payments (March 2006–April 2007)
- IMF- Direction of Trade Statistics (March 2006–April 2007)
- IMF- Government Finance Statistics (March 2006–April 2007)
- IMF- International Financial Statistics (March 2006–April 2007)
- World Bank - World Development Indicators–2006

- World Bank - Global Development Finance–2006
- DGCIS - Foreign Trade Statistics of India (April 2006–Nov 2006)

### **Bibliographic Database**

- Journal of Economic Literature Database Econlit (April 2006–February 2007)

### **FULL TEXT JOURNALS**

- American Economic Review (March 2006-September 2006)
- Journal of Economic Literature (March 2006-December 2006)
- Journal of Economic Perspectives (Winter 2006-Fall 2006)

The library has a unique collection of Government serial publications such as *State Budgets*, *Finance Accounts*, and *Appropriation Accounts* which are updated from time to time. All publications of International Bureau of Fiscal Documentation (IBFD) and Institute for Fiscal Studies (IFS) through membership add to the collection. The NIPFP library is listed under the depository libraries' scheme of IMF publications. The faculty members of NIPFP provide direction for collection development.

### **PERIODICALS**

The library subscribes to 405 journals including newsletters of various finance related organisations. Among these the library subscribes to 174 printed journals (104 international journals and 70 Indian journals). 70 journals are received on *gratis* or exchange basis.

### **E-JOURNALS**

The library has begun to subscribe to e-Journals from January 2007, onwards through *Science Direct* with specific *subject bundle collection on economics, econometrics, and finance*. It facilitates researchers to access through the internet 78 international journals from *Elsevier* publications. For archival collection of important economics journals starting from first volume onwards, *JSTOR* is also subscribed to.

### **SECONDARY PERIODICALS**

The library subscribes *Econlit* in CD-ROM on monthly basis for accessing international economic literature. For Indian economic literature, *ISID Research and Reference CD-ROM* and *Artha Suchi* are subscribed for retro service. The NIPFP library also indexes newspaper clippings and Indian journal articles (excluded from the *EconLit* collection) and the same can be accessed through OPAC.



## DIGITAL LIBRARY INITIATIVES

Using Greenstone Digital Library Software (GSDL), the library has started capturing, cataloging, storing, searching, protecting, and retrieving information of inborn digital documents collection like working papers, newspaper clippings, newsletters, and other documents of NIPFP. The basic documentation framework for NIPFP - Institutional Repository using *DSpace Open Source* software is established and expected to become operative through internet by next year. Retro collection of 48,000 documents have been barcoded and tested for circulation with a barcoding scanner.

## LIBRARY SERVICES

The library provides routine services like inter-library loan, reprographic service, indexing, and bibliographic compilation. Dissemination of recent acquisition of library is done by publishing “Current Awareness Service Bulletins” on a regular basis.

## RESOURCE SHARING

The NIPFP library is a member of Developing Library Network (DELNET) and has mutual collaboration with other libraries like; IGIDR, NCAER, NASSDOC, ISI, and university libraries. Through Inter-Library Loan (ILL), the library borrowed 55 documents from other libraries for faculty members and lent out 108 documents to various academic and research libraries in Delhi.

## REPROGRAPHIC SERVICE

Approximately 72,900 photocopies were produced in the library during the year 2006-07 for the use of NIPFP faculty members and visiting researchers.

## 7. Computer/IT Unit

The Computer/IT Unit provides vital support service to researchers as well as other supporting functionaries of the Institute, viz. accounts, administration, auditorium, library, and publications. The IT Unit has nearly revamped the old systems. During 2006-07, one HP ML 150 G2 server, ten HP compaq P4 desktops Dx2280, one datamax E4203 printer, one bar code scanner, one laptop HP compaq NC 8430 and three HP laserJet 1022 printers have been added.

The computer system of the Institute currently comprises of 8 servers, 93 pentium – II/III/ celeron/IV PCs, 13 laptops, 66 UPS and 35 printers. While the maintenance of server network is outsourced, computer staff handles the maintenance of computer hardware and software.

The Institute's internet facility (**nipfp.org.in**) as well as its website is supported by a leased line from MTNL. The NIPFP website bears the address, **http://www.nipfp.org.in** through NIPFP's own server domain. The management of the website is supervised by a committee led by Indira Rajaraman, Senior Fellow and RBI Professor, (chairperson) Siva Chidambaram, Librarian-cum-Information Officer, Rita Wadhwa, Editor, Naveen Bhalla, Senior Administrative Officer and Navin Kumar Singh, EDP Manager. The website highlights the objectives and main activities of the Institute, indicates research interests of NIPFP faculty alongwith their detailed CVs, and provides lists of publications, and major reports produced by the Institute. All NIPFP working papers are put up on the website.

Databank development is a continuous activity at the NIPFP computer centre. Specialised softwares are used by the library and the accounts department. Technical support is given to *LIBSYS*, *RMS*, *Prowess* and *Econolit* in the Institute's library and to the accounts department *vide* the EX accounts and payroll software.

## 8. Highlights of Faculty Activities

*Members of the academic and professional staff of NIPFP continued to contribute inputs to a broad range of academic and related activities in India and abroad. Besides undertaking normal research work, they participated in seminars, conferences, and workshop, delivered guest lectures in training programmes within NIPFP or outside, and served government or professional bodies.*

*Notable activities of the professional staff in addition to their research work are highlighted in the following paragraphs. Details in regard to their published work are at Annexure V.*


- **C. Rangarajan**, is Chairman of NIPFP's Governing Body. He is also Chairman, The Economic Advisory Council to the Prime Minister; Chairman of Madras School of Economics, Chennai; Independent Commission on AIDS in Asia; C.R. Rao Advanced Institute of Mathematics, Statistics, and Computer Science, Hyderabad; GENOME Foundation; and CUTS International. As Chairman of the Committee on **Financial Inclusions**, he recently submitted a draft report to the Government of India.

During the year under review, C. Rangarajan gave several addresses on important contemporary issues. Notable among these were: D.P. Kohli Memorial Lecture on "Economic Growth and Issues of Governance"; G. Ramanujam Fifth Memorial Lecture on "Employment and Growth – Is there a Conflict?"; Convocation Address at the Institute of Insurance and Risk Management on the "Widening Scope of Insurance"; Inaugural Address on "Sustaining the High Growth" at the 48<sup>th</sup> National Cost Convention, 2007", at the ICWA of India, Hyderabad; Valedictory Address at the Global Meet for a Resurgent Bihar on "Strategy for Bihar's Economic Growth"; and Karnataka Bank Founder's Day lecture on "Challenges Before the Indian Banking System". C. Rangarajan delivered a speech on "Sustaining the High Growth" at the Madras Chamber of Commerce and Industry, at Chennai.

The year saw him publish articles in *Money and Finance* and *Economic Times*.

- **M. Govinda Rao**, Director, NIPFP carried out administrative and academic responsibilities, undertook research and committee activities, and represented NIPFP in seminars and conferences in India and abroad.

He completed a UNIFEM sponsored co-authored study, **Fiscal Decentralisation and Local Level**




**Gender Responsive Budgeting**, besides three state fiscal studies, titled, **Madhya Pradesh Public Expenditure Management; Finances of Karnataka: Fiscal Implications of Pay Revision;** and **Medium-term Fiscal Policy Plan for Goa** with a colleague at NIPFP. He also co-authored a study, **Capacity Building of Fiscal Reforms** in three states in Nigeria, sponsored by UNDP, Nigeria.

Two of his projects, **Progress of Implementation of VAT and Internal Resource Mobilisation: A Study of Bihar;** and **Inter-State Difference in Health Expenditure: Designing and Implementing on Equalisation Scheme** in collaboration with faculty colleagues at NIPFP are nearly complete. His ongoing work is a pilot study for the World Bank, **Improving the Fiscal Health of Cities in India** with two co-authors.

A major part of M.G. Rao's academic activity comprised of advice to Government committees as member of expert or working groups, task forces, and professional bodies. He was member of three steering committees set up by the Planning Commission for providing inputs in the Eleventh Five Year Plan: These pertained to Financial Resources for the formulation of the Eleventh Five Year Plan; the North Eastern Region; and Land Relations, Rainfed Areas, Poverty Elimination Programmes, Democratic Decentralisation and *Panchayati Raj* Institutions, Rural Housing and Social Protection Policy – National Social Assistance Programme and Associated Programmes. He also served membership on the Planning Commission's expert group to **Study the Planning at the Grassroots Level**. He was a member in the advisory group for the NCAER study, **An Index of Devolution for Assessing Environment for Panchayati Raj Institutions in the States**. He rendered advice on Democratic Decentralisation and *Panchayati Raj* Institutions for the Formulation of the Eleventh Five Year Plan to the Ministry of *Panchayati Raj* as a member on the expert group formed for the purpose. Apart from the above, he served as member in: Group for Central Universities Oversight Committees, Ministry of Human Resources; Group of Experts for formulating a New Scheme to Replace the Duty Entitlement Pass Book Scheme, Ministry of Commerce and Industry; Second Technical Committee on Government Accounting, CAG of India; Advisory Group of the Competition Commission of India, Government of India; Core Group for the National Centre for Good Governance, Ministry of Home Affairs; Bihar Think Tank to advise on Development and Investment Incentives, under the chairmanship of the Chief Minister of Bihar; High level committee to examine Conceptual and Methodological Issues for Preparing the Outcome Budget, Institute of Chartered Accountants of India Accounting Research Foundation, New Delhi; and Board of Governors, IEG, New Delhi.

M. Govinda Rao was a non-official part-time Director on the Board of NTPC; Board of Rural Electrification Corporation Limited, Ministry of Power; Chairman of the Steering Group on Financial Resources, State Planning Board, Government of Bihar; and co-Chairman, Task Force






on Removal of Interstate Trade Barriers, PHD Chamber of Commerce and Industry, New Delhi. He was a participant in the United Nations Development Assistance Framework Thematic Working Group on Decentralisation.

He presented a theme paper on the “Finances of Urban Local Bodies” at a National Colloquium at IIM, Bangalore; made a presentation on “Financial Arrangements between the Union and the States” to the All Party Representative Committee from Sri Lanka; delivered Prof. B.R. Shenoy Memorial Lecture at Veer Narmad South Gujarat University, Surat; and made a presentation on “Globalisation: Challenges and Opportunities”, at the National Judicial Academy, Bhopal.

He was invited to give lectures at the National Academy of Customs, Excise, and Narcotics, Faridabad; on the occasion of the Signing Ceremony of Addendum IX Memorandum of Understanding between the Government of India and the Shastri Indo-Canadian Institute, at New Delhi; The Economics Association of Sri Venkateswara College, New Delhi; IMT, Ghaziabad; Justice K.S. Hegde Institute of Management, Nitte, Karnataka; and at a workshop on VAT organised by CII at Kolkata. He was a discussant for a paper on “Fiscal Consolidation and Systemic Reforms” at a conference at Columbia University. He gave as many as 30 lectures on topics revolving around Pro-Poor Tax Policy; Tax Policy Design in a Intergovernmental Context; Theory and Practice in Tax System Reforms; Planning for Poverty Alleviation; Government Role Market Failure; Trends, Concepts, Macro-economic Issues in Indian Fiscal Policy; conceptual Public Expenditure and Management; Political Economy Approach: Issues in Competitive Federalism; Conceptual and Macroeconomic Issues in Fiscal Policy; Theory and Applications of Intergovernmental Transfers; Evolution of Fiscal Policy in India in the various training programmes organised by NIPFP for revenue officials from Sri Lanka; Royal Government of Bhutan; Government of Islamic Republic of Afghanistan; College and University teachers from South Asian countries; probationers of the Indian Economic Services; and probationers of the Indian Audits and Accounts Service. Besides these, he lectured on “Decentralisation Experience of India” at a conference on **Governance** in New Delhi at a training programme for IES officers at the Institute of Economic Growth. He made a presentation on “Grassroots Planning”, chaired a session on the same topic and moderated a panel discussion implementing “Grassroots Planning – Challenges and Solution” at the **Skoch Summit Challenges 2007** conference in New Delhi. He also chaired a technical session on “Centre State Financial Relations” at a seminar by Kerala Development Society at IIC, New Delhi. He negotiated with the World Bank in **Promoting Peer Group Dialogue and Monitoring on Economic Management: Public Finance in South Asia**, a refresher training programme for college and university teachers from South Asian countries at NIPFP.



His co-authored paper, “Fiscal Decentralisation and Gender Responsive Budgeting in Morocco” was produced in the NIPFP Working Paper series. His published output included seven articles in publications and journals in India and abroad. As an Advisory Editor, he edited *The Oxford Companion to Economics in India*.

He published as many as 13 articles in leading financial newspapers. M. Govinda Rao participated in expert discussions related to “Profits” and “Union Budget” relayed on prominent Indian TV channels.

- **Raja J. Chelliah**, Professor of Eminence, NIPFP, and Chairman Emeritus at Madras School of Economics was a recipient of the prestigious state award, *Padma Vibhushan* - 2007. He was also awarded *For the Sake of Honour Award* by the Rotary Club of Chennai.

The year saw him retain membership of: the IFA International Tax Academy; Board of Trustees, Ranganathan Centre for Information Studies; and the Steering Committee for the Centre of Excellence in Environmental Economics at MSE.

- **Amaresh Bagchi**, Emeritus Professor, continued to be member on the Board of Management, IGIDR, Mumbai; on the Governing Body of Shahid Bhagat Singh College, University of Delhi; and in the Taskforce on Removal of Interstate Barriers to Trade at the PHD Chamber of Commerce and Industry.


At the instance of the Ministry of Finance, he undertook to study, **Excise Duty Structure for Synthetic Textile Intermediates**. He wrote a paper, “Combating Corruption at State and Local Revenue Administration” for the World Bank. His co-authored paper titled, “Tax Breaks for the Small Scale Sector: An Appraisal” was brought out as a NIPFP Working Paper. He taught Indian Public Finance to M.Sc. students at IGIDR, Mumbai in October, 2006.

Amaresh Bagchi was a participant in a panel discussion on VAT at an International Tax Conference at FICCI, New Delhi. He was also invited to participate in a seminar on **Local Governance** at ISPE, Pune; and at a IIPA-World Bank workshop on **Fiscal Decentralisation and Local Governance** held at Goa in December, 2006.

At NIPFP, he delivered lectures in the training courses organised for officials of the Government of Sri Lanka; probationers of IA&AS; and officials of Government of Afghanistan.

During the year, he published four articles in the *Economic and Political Weekly*, and wrote in a series, three co-authored articles on “Roadmap for GST” in *Economic Times* at New Delhi.

- **Indira Rajaraman**, Senior Fellow and RBI Chair Professor, as team head completed and submitted the draft report on **Rural Decentralisation and Participatory Planning for Poverty**



**Reduction** to the UNDP. The study focuses on the functioning of decentralised government in the four states (pre-selected by the sponsors) of Chattisgarh, Madhya Pradesh, Orissa, and Rajasthan.

Indira Rajaraman was invited to participate in several prominent fora in India and abroad. She gave research-based talks at the State University of New York at Buffalo; University of Wisconsin at Madison; and the University of California at San Diego. She gave a talk on “Public Finance Implications of Trade Policy Reforms”, at the UNDP Regional Centre, Colombo, Sri Lanka, which is slated to appear in a forthcoming publication; presented a paper on “The Design of Liquor Taxation and its Impact on Rural Consumption” at the annual NEUDC conference at Cornell University; delivered a talk on the same topic at the World Bank, New Delhi; was discussant at a conference in Georgia State University, Atlanta; attended the Tenth Meeting of the EU-India Roundtable at Vienna; and delivered a number of talks at New Delhi. She also spoke at the February pre-conference of the Fourth International Conference on **Federalism** at Vigyan Bhawan; and on the Union Budget 2007, at the IIC, New Delhi; and delivered the Eighth Malayala Manorama Budget Lecture at Kochi, Kerala.

Indira Rajaraman delivered several lectures in the various training courses conducted at NIPFP, and at the Institute for Economic Growth, for government officials belonging to the IES, IA&AS, and other services.

Her policy advisory role is reflected in the various appointments she held on public committees. She was called upon to chair the Public Expenditure Review Committee of Kerala, which submitted two reports in May, and November 2006. She was a member of: the HRD Ministry Group on OBC quotas for Technological/Engineering Institutions; the Planning Commission Working Group on Centre’s Financial Resources for the Eleventh Five Year Plan; the Public Expenditure Review Committee of Rajasthan; Steering Committee, Centre for Energy Security Research, TERI; Consultative Group of the Inter-State Council Secretariat on Inter-Governmental Relations and Dispute Resolution Mechanisms in Federal Democratic Countries; and the Programme Advisory Committee of the M.S. Swaminathan Research Foundation. She continued to be the Chancellor’s nominee on the Academic Council of TERI University.

She was a member of the selection committee for faculty at the IIFT, New Delhi and was consulted by Gokhale Institute of Economics and Political Science, Pune for confirmation of faculty at the Institute.

She published five research papers in journals such as *Water Policy*; *EPW*; *Empirical Economics Letters*; and *Journal of Policy Modeling*, and six articles in the *Economic Times*.

• **Tapas K. Sen**, Senior Fellow, co-authored two research reports, led two research projects, and worked for preparation of a database. Of these, the project on **Taxation of Petroleum Crude and Natural Gas in India**, sponsored by the Ministry of Petroleum and Natural Gas, with a co-author, was completed and submitted. Work on a database on state finances was also substantially completed and the output submitted to the sponsors, namely, the Planning Commission of India. Among his ongoing projects is a study entitled, **Financing Human Development in India**, sponsored by UNDP India, which apart from overviewing the issue for India as a whole, aims to analyse the status of human development in eight selected states, identify possible resource constraints in attaining announced goals, and suggest ways to overcome these constraints. Under this project, two preliminary state reports for **Tamil Nadu** and **Madhya Pradesh** were prepared and presented to UNDP and the Planning Commission, the sponsors, in addition to respective state governments. Taking into account the comments received, these two reports have since been finalised.

He continued as an expert member in the Third Punjab State Finance Commission until December, 2006, when the Commission submitted its final report to the Governor of the State. He also published a paper on “Indian Fiscal Federalism”.\*


Tapas Sen served as resource person and delivered lectures to varying audiences including a group of education officials from various countries, officials from Sri Lanka, post-graduate students in economics, participants of training programmes, Indian Audits and Accounts Service probationers and university and college teachers from South Asia in training courses held at NIPFP, and elsewhere (including National Institute of Educational Planning and Administration, Institute of Economic Growth, National Institute of Financial Management, Academic Staff College at Jawaharlal Nehru University, and TERI University).

He continues to oversee the databank on state government finances in India titled as the **Public Finance Information System (PFIS)**. He also acted as external examiner of an M. Phil dissertation and a Ph. D. dissertation during the year. He acted 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, to implement the recommendations of the Twelfth Finance Commission on state indebtedness and of the Working Group on Assessment of Financial Resources of the Centre for the Eleventh Five Year Plan, set up by the Planning Commission. He continued as Chairman of the Library Committee of NIPFP, and Trustee of the Provident Fund of the Institute.

During 2006-07, he undertook a short-term consultancy for the Asian Development Bank as member of an Evaluation Mission to Madhya Pradesh. He also undertook a short-term consultancy for the World Bank to write a paper on tax revenues in Orissa.

\* “How Public Planning and Finance Work in India”, *Federations*, Vol.6, No. 1, February/March 2007.





- **Rita Pandey**, Senior Fellow, is leading the team involved in the study, **NER Vision 2020** sponsored by the NEC and DoNER. She delivered a lecture, “Tradable Permits for SPM Control: A Case Study” to officers of the Indian Economic Service at IEG; and on “Environmental Regulation in India: Issues in Monitoring and Enforcement” at WWF, New Delhi.


She presented “A Proposal for Stimulating Fuel Economy of Road Transport in India” at Kyoto, Japan; chaired a session at an international conference on **Ecological Sustainability and Human Well-being**; and was resource person at an international conference on **Climate Change: Adaptation and Mitigation** in New Delhi. The OUP consulted her as an expert reviewer for their publications. She also reviewed for journals, such as, *Science for the Total Environment*; *Journal of Environmental Management*; and *Environmental Economics and Policy Studies*. She was a member, Study Group on Lotteries, constituted by the Ministry of Home Affairs, Government of India; and on the Board of Directors, Occupational Knowledge International, San Francisco, California.

She published an article in an international journal, and another in an edited volume published at Islamabad, Pakistan.

- **Kavita Rao**, Senior Fellow, as team leader of **Mizoram State Development Report** submitted the draft report to the Planning Commission. She was member in two working groups for the Eleventh Five Year Plan, one pertaining to State Financial Resources; and the other a sub-group on foreign savings. She was responsible for organising seven training programmes of a series initiated at NIPFP on **Practical Issues of Tax Policy and Tax Administration** for officials of the Revenue Department, Government of Sri Lanka. She also organised two workshops on **Tax Administration and Information System**; besides a half day workshop to evaluate the training curriculum of the National Academy of Customs, Excise, and Narcotics, Faridabad.

She delivered two lectures in each of the above programmes. Kavita Rao gave five lectures on issues related to the tax system in India in a training programme conducted for the probationers of IA & AS at NIPFP. In addition to these, she lectured as many as five times on “Tax Policy and Reform in India” in the various training courses conducted at NIPFP for IES probationers; officials of the Islamic Republic of Afghanistan; officials of the Government of Bhutan; and College and University teachers.

Kavita Rao presented a paper “Impact of SEZs on the Indian Economy: An Initial Evaluation” at a national conference on **SEZs** at the Geography Department, Delhi School of Economics. A co-authored paper of hers on “Tax Breaks for the Small Scale Sector: An Appraisal” was brought out as a working paper under the Tax Research Unit series at NIPFP. Two of her papers (one co-authored) are accepted for inclusion in forthcoming edited volumes.



- **Navroz K. Dubash**, Senior Fellow and IDFC Chair Professor, left the Institute to join JNU in June, 2006. He completed his project, **Electricity Sector Governance** in collaboration with World Resources Institute (USA) and *Prayas*-Pune. He is currently working on **Independent Economic Regulation: An Assessment of Accountability and Good Governance in the Electricity Sector**. His interest in the area of Electricity Governance led him to lecture on “Governance Issues in Regulation of Power Distribution” at a TERI-Power Finance Corporation training programme held at New Delhi; “Reform in Issues in Power Sector: Recent Initiatives” and “Issues in Regulation and Regulatory Reforms” at the NIPFP organised training courses for College and University teachers from South Asian countries; and officials of the Royal Government of Bhutan.

During the year under review, he was appointed member of: Project Steering Committee on “India Competition and Regulation Report” of CUTS International; Working Group on Power for Formulation of Eleventh Five Year Plan, Planning Commission; Expert Group to Review the Issues of Ground Water Ownership in the Country, Planning Commission; Executive Committee of the Indian Society of Ecological Economics, Delhi; and Editorial Board of the International Journal, *Utility Policy*.

Navroz Dubash was awarded Dr. S.R. Sen Fourth Biennial Prize for his book *Tubewell Capitalism Groundwater Development and Agrarian in Gujarat* instituted by the Indian Society of Agricultural Economics, Mumbai.

He published two articles (one co-authored) in an edited volume in India and the other in the US. His co-authored publication entitled, *The Practice and Politics of Regulation: Regulatory Governance in Indian Electricity* is forthcoming.

- **O. P. Mathur**, Principal Consultant, completed a major research project sponsored by the Ministry of Urban Development titled, **National Urban Renewal Mission**. One component of this project comprised appraisal of twelve cities under the JnNURM’s City Appraisal Plan Programme, and the other drafting of the final version of the Toolkit for formulation of the CDPs of JnNURM cities. O.P. Mathur is a member of the National Review Committee on JnNURM, headed by the Prime Minister. The ongoing activity in this project involves tracking the urban reform agenda for 20 JnNURM cities.

He chaired the sub-group constituted by the Urban Development Ministry and the Planning Commission which formulated suggestions to undertake urban development in the Eleventh Five Year Plan. He is convenor of the Standing Committee of the State Secretaries of Stamps and Registration, a permanent cell sponsored by the Ministry of Finance which has based its Secretariat at NIPFP and meets periodically to discuss the progress of the work being done.

Another ongoing project of O.P. Mathur involves preparation of a National Report on **State of India's Urbanisation**. He is serving as chairperson in the Government of Bihar constituted Steering Group on **Vision Bihar: Emerging Urban Challenges**. He is Vice President of NIUA's Governing Council; and on the Research Council of NEERI.

His expertise in the area of urban affairs has led him to contribute advise as member on the: Technical Advisory Group of the Ministry of Urban Development on JnNURM; Expert Committee on Urban Transport, Planning Commission, Eleventh Five Year Plan; Municipal Finance Task Force set up by the Ministry of Urban Development; and National Core Group on Urban Poverty, Ministry of Housing and Urban Poverty Alleviation.

O.P. Mathur was a participant in many national and international fora. He addressed a CII conference on **The Future of Indian Cities**, at Mumbai; attended a conference on **Heritage Cities** at Mysore, outlining how CDP of heritage cities could be prepared, was Peer Reviewer of the paper on "Municipal Finance" in a meeting on the same subject at RBI Mumbai; attended the first meeting of Gol's Taskforce on Municipal Finance Improvement Programme, Bangalore; chaired a session on Urban Planning for Municipal Bodies in a DFID workshop at New Delhi; was the principal speaker in two panel discussions and the valedictory session at a Euro-India Forum on **Investing in Indian Cities**. He was member of an Indian delegation to Sweden to explain what JnNURM entailed, and to the World Urban Forum meeting at Vancouver in an advisory capacity. He was panel member at the World Bank's presentation of its report and was discussant on John Friedman's special lecture there; attended two conferences, a workshop, and a meeting organised by ADB on urban issues at Manila; undertook a mission to China and subsequently to Chennai (part of the same activity) and delivered comments on China and India's Urban Strategies.

He also made contributions to Urban Finance by way of published work. *The India Infrastructure Report*, 2006, published by IDFC contains a chapter by O.P. Mathur. He authored two articles and co-authored another two in edited volumes brought out by multilateral agencies.

- **A. L. Nagar**, Senior Consultant, alongwith two associates wrote a paper each on **Tax Enforcement Index**, and **Projection of Corporate Tax and Personal Income Tax Receipts for FY 2006-07**. In yet another paper, **Updated Projections of Tax Receipts (CT & IT) for FY 2006-07 and Projections for 2007-08**, A. L. Nagar and his co-authors provided revised forecasts on CT and IT for Fiscal Year 2007-08. The project on forecasting is sponsored by CBDT and is part of the activity of the Tax Research Unit established at NIPFP.

He undertook a course of lectures on Advanced Econometrics and Statistics and Elementary Econometrics for the Master's degree class at School of International Studies, JNU. He was a

participant in the conference of the Indian Econometric Society held at IIT, Mumbai in January, 2007.

- **Bulbul Sen**, Principal Consultant in the Tax Research Unit at NIPFP, returned to the Indian Revenue Service in June, 2006. She collaborated with a colleague at the Institute to organise a training programme on ***Practical Issues of Tax Policy and Tax Administration*** for officials of the Revenue Department, Government of Sri Lanka. She gave lectures in the above training programme on the need for reigning in exemptions under the Direct Tax for raising the tax-to-GDP ratio.

Her co-authored working paper, “Tax Breaks for the Small Sector: An Appraisal” was produced as an output of the Tax Research Unit. The study finds that the negative consequences of protection and exemption to the SSI sector outweigh the benefits and the revenue implication of doing away with incentives has been estimated at Rs. 12,560 crore per annum.

She completed the draft of a working paper on tax treatment of charitable entities in India, (currently under final editing). Based on the same, she co-authored an article in a financial newspaper at New Delhi with a colleague at NIPFP.


- **Kala S. Sridhar**, Fellow, completed a study on **Costs of Urban Infrastructure: Evidence from India’s Cities**, funded by the South Asia Network of Economic Research Institutes in May, 2006, co-authored with colleagues at NIPFP. She is engaged in the completion of **Norms for Provision of Core Civic Services and Octroi in the Andaman and Nicobar Islands** with a co author at NIPFP. Along with colleagues at NIPFP, she is currently working on a World Bank project, **Improving the Fiscal Health of Large Cities: Evidence from India**, and coordinated a workshop relating to this project at NIPFP in December.

She lectured on “Fiscal Policy: Growth and Poverty Reduction” in a NIPFP organised course for officials of Bhutan; and in a NIPFP-World Bank Refresher Course for University and College teachers; and on “Urban Reforms in the Urban Infrastructure” at CRRID Chandigarh.

Three papers were presented by Kala S. Sridhar at diverse venues: The Impact of Regulations on Suburbanisation; Preliminary Findings from India’s Cities”, at ISEC, Bangalore; “Density Gradients and their Determinants: Evidence from India” at NIUA, New Delhi; and “Improving the Fiscal Health of India’s Cities: A Pilot Study” at a roundtable at NIPFP, New Delhi.

The Institute published Kala Sridhar’s working paper, titled, “Reforming Delivery of Urban Services in Developing Countries: Evidence from a Case in India”. She published one co-authored paper in *EPW*, and another in *Urban Studies* during the course of the year. Her published output also included two chapters in two separate publications released by the Oxford University Press. She wrote five articles in leading financial newspapers during the year.





Kala S. Sridhar was a Sir Ratan Tata Trust Visiting Fellow at ISEC, Bangalore during Oct 2006-March 2007. In January 2007, she was conferred the **VKRV Rao Prize for Social Sciences (Economics)** for 2005 by ISEC and ICSSR. She was a reviewer for *Urban Studies; Regional Science, and Urban Economics*. She was a member of *India Infrastructure Report 2007, Writers' Workshop*, 3iNetwork, IIT, Kanpur during April, 2006.

- **Pinaki Chakraborty**, Senior Economist, was appointed as 'Fellow' at NIPFP in May, 2006. He completed four project reports, **Madhya Pradesh Strengthening Performance Management in Government; Study to Draft FRBM Rules and Medium Term Fiscal Plan for the Years 2005-10** for the state of Goa; and **Finances of Karnataka: Fiscal Implications of Salary Hike; and Capacity Building of Fiscal Reforms in three States in Nigeria** with the Director of NIPFP. His study, on **Implementation of VAT and Internal Resource Mobilisation in Bihar**, also with the same co-author, is nearing completion. Currently, he is engaged in a project entitled, **Gender and Taxation: Improving Revenue Generation and Social Protection in Developing Countries**, sponsored by University of Kwazulu-Natal, South Africa and the Levy Economics Institute, New York. He has been offered an Honorary Research Associateship at Levy Economics Institute this year. He delivered lectures on "Tax Policy Design" and "State Finances in India" at two NIPFP training programmes for officials of the Revenue Department, Government of Sri Lanka, and for the probationers of Indian Economics Service. Besides these, he lectured to the above probationers on **VAT in India** at the IEG; on "Issues Relating to Public Debt Sustainability" at a programme organised by the National Academy of Audits and Accounts, Shimla, at Noida; on "Canadian Economy" at an orientation programme held by Shastri Indo-Canadian Institute, at New Delhi; and on "Tax Policy and VAT" to probationers of Indian Revenue Service (Customs and Central Excise and Narcotics) at Faridabad. He delivered lectures in a UNDP Nigeria-NIPFP workshop in selected cities of Nigeria.

During the year 2006-07, Pinaki Chakraborty made paper presentations at diverse venues in India and abroad, two of which were delivered in UNU-WIDER conference, "Multilateral Adjustment Lending to States in India: Hastening Fiscal Correction or Softening the Budget Constraint" at Helsinki, Finland; and "Economic Reforms, Infrastructure Spending and Growth: Evidence from China and India" at Beijing, China. His paper titled, "Implementation of National Rural Employment Guarantee Act in India: Spatial Dimensions and Fiscal Implications" has been accepted for presentation in a conference at Levy Economic Institute, New York. During his visit to China, he also participated in the Eighth Annual Global Development conference, **Shaping a New Global Reality: The Rise of Asia and its Implications in the Global Development Network**.

He was participant in a conference, **Improving Revenue Generation and Social**

**Protection in Developing Countries** at Durban, South Africa. Paper presentations of Pinaki Chakraborty in India included, “Economic Reforms and Infrastructure Spending: Evidence from China and India” in a seminar by ICSSR-North Eastern Regional Centre at Gangtok, Sikkim; “Kerala State Finances” in a one-day national seminar by Kerala Development Society at New Delhi; “Outcome Budgeting: An Overview and Methodological Issues” at a workshop by Government of Maharashtra – Tata Institute of Social Sciences at Mumbai. He also participated in a WHO India Country office **Dissemination of Report on National Health Accounts, India 2001-2002**, Ministry of Health and Family Welfare workshop at New Delhi.


He rendered policy advise as member of: Steering Group on Vision Bihar: Managing Financial Resources – Medium Term Perspective, Government of Bihar; Plan Committee on “Resources” to formulate draft proposal for the Eleventh Five Year Plan in the sector constituted by State Planning Board, Thiruvananthapuram; sub-Group on Financial Issues for formulation of the Eleventh Five Year Plan, Ministry of Power; and sub-Group on Public Sector’s Draft on Private Sector Savings, on Saving for the Eleventh Five Year Plan, by the Planning Commission. He examined a M.Phil dissertation from JNU; and reviewed a paper for Centre for Social Studies, Surat, Gujarat.

- **Anit N. Mukherjee**, Consultant, is rendering research support in the project, **Independent Commission on AIDS in Asia** which has its secretariat at NIPFP. He attended the second meeting of the Commission in Jakarta; workshop on **Policy Options** at Bangkok; and at the south-east Asia sub-regional consultation at Manila. He wrote a paper, “Public Expenditure on Education: A Review of Selected Issues and Evidence”; which was brought out as a NIPFP Working Paper under the auspices of UNDP’s **Financing Human Development** Project.

Anit Mukherjee was invited as an external interviewer by Indian Institute of Foreign Trade at New Delhi. He published his views on “Demographic Dividend: Making it Pay” in the *Economic Times* Editorial Debate.

- **C. Bhujanga Rao**, is a member of the research team working on the UNDP project, **Rural Decentralisation and Participatory Planning for Poverty Reduction**. The team presented the inception report of this project to members of the Steering Committee at NIPFP in April 2006, and the preliminary findings at the UNDP in December 2006. The overall draft report and the individual state reports pertaining to Madhya Pradesh, Chattisgarh, Orissa, and Rajasthan were submitted to the UNDP in February, and March 2007. He was co-author of the chapter entitled, **State Finances**, part of the Planning Commission’s **Uttar Pradesh Development Report**, Vol. 1 & 2.

He published two co-authored articles, “Rural Poverty in Madhya Pradesh: Looking beyond



Conventional Measures”; and “Central Flows to *Panchayats*: A Comparative Study of Madhya Pradesh” in *Economic and Political Weekly*.

- **Pratap Ranjan Jena**, Senior Economist, is a member of the team working on the UNDP sponsored project, **Rural Decentralisation and Participatory Planning for Poverty Reduction**. The draft report was submitted in March. He was invited by the UNDP, New Delhi, to deliver a lecture on “Own Revenues of *Panchayat Raj* Institutions”. In the NIPFP conducted training programmes, he delivered lectures on “Fiscal Rules: International Experience” and Medium-term Fiscal Projections (in two series) to Bhutan Government officials, “Fiscal Projections – MTFP and MTEF” to College and University teachers”, and “Medium-term Expenditure Framework” (in two series) to officials of Government of Afghanistan.

He published two articles in two different volumes of *Economic and Political Weekly*. Pratap Jena is a member of the library committee at NIPFP.

- **Mukesh Kumar Anand**, Senior Economist, contributed the chapters on ‘Development of Scheduled Tribes’; and ‘Tourism’ for **Andaman and Nicobar Island: State Development Report** prepared by the NIPFP team for the larger Planning Commission project on Andaman and Nicobar Islands. At NIPFP, he organised training programmes for probationers of Indian Audits and Accounts Service; and officers of the Government of Islamic Republic of Afghanistan, in which he also delivered lectures. In addition, he gave lectures to probationers of Indian Economic Service; officials of the Royal Government of Bhutan; University and College teachers from South Asia at NIPFP, New Delhi, and at the Jaipuria Institute of Management, Noida, on topics such as “Public Utility Pricing”; “Pension Expenditures: Issues in Pension Reforms”; “Public Services Through Taxes or User Charges”, and “Equity and Efficiency in Public Expenditure”.

Mukesh Anand’s article on “Pensions” appeared in a volume published by the Oxford University Press. He is currently co-authoring two papers titled, “Government Employment and Employees: Some Contours for the Sixth Central Pay Commission”, and “In-Sync with Demographic and Social Changes: Some Issues for the Sixth Central Pay Commission”.

- **Gautam Naresh**, Senior Economist, is one of the three-member team engaged in the completion of **North-Eastern Region Vision 2020**; and **State Development Report of Mizoram**. He also gave some inputs in the NIPFP study, **Taxation on Petroleum Crude and Natural Gas in India**. He lectured twice on “Property Tax: Methods and Technique” in two training courses held for middle and senior level officers of state and municipal governments of various states in India; and to the teaching staff of various Indian universities at IIPA, New Delhi. Other lectures of Gautam Naresh included, “Methods of Budgeting, Problems, Issues, and Solution” for senior level health administrators and faculty at NIHF; “State Level Fiscal Reforms” at Rajasthan

University, Jaipur; and “Property Tax as a Local Revenue Source and Reform” again at IIPA. He also made a presentation on “Urban Local Finance” at a World Bank Institute-IIPA workshop held at Goa. His co-authored paper, “Reform in Property Taxation in India: Where Do We Stand” came up for presentation in an international seminar on **Reforms in Fiscal and Monetary Policies: The Road Ahead**, at New Delhi. Furthermore, he made a presentation on “Urbansaiation, Urban Issues and Scope for Reform in Property Tax and User Charges” at the ARSD College, University of Delhi.

He contributed a lesson on “Indirect Taxes” for M.A. (Economics) course at IGNOU. He is a research guide to a dissertation topic, *Fiscal Federalism and Problem of Commodity Taxes in India* for Aligarh Muslim University.

- **Subrata Mandal**, Senior Economist, completed and submitted his report, **Modeling Economic Impact of Oil Price Changes on Indian Economy: Methods and Applications** to the Petroleum Planning and Analysis Cell, Government of India. The report analysed issues pertaining to future demand, export oriented refineries, pricing, subsidies, and taxation of petroleum products for the period up to 2025.

He gave two lectures on “Prices and Taxes: Case of Petroleum Products” and “Natural Resource Endowments, Fiscal Flows and Regional Inequality in India” in a training programme on **Public Finance** co-ordinated by him for probationers of IA&AS at NIPFP. Another lecture delivered by Subrata Mandal was titled, “National Environment Policy 2006: Planning and Analysis of Petroleum Sector”, at Jamia Millia University. He conducted a two-day workshop for Panchayati Raj Ministry, Government of India on **Planning at the Grassroots Level** at NIPFP for Chief Secretaries from various states.

He published a chapter on “Sustainable Land-use and Water Management in Mountain Ecosystems” in an edited volume by *Springer*, The Netherlands.

- **Lekha S. Chakraborty**, Senior Economist, completed three projects: **Fiscal Decentralisation and Gender Budgeting**, (co-authored) sponsored by UNIFEM-European Commission; **Ex-post Gender Sensitive Analysis of Union Budget 2006-07, Government of India**, sponsored by UNIFEM; and **Gendering Microfinance in India: A Study of SGSY**, a Government of India – NIPFP-NIBM Project. She has recently initiated a IDRC and Ford Foundation sponsored project on **Globalisation, Gender, and Taxation in Developing Countries** in collaboration with a colleague. The project is coordinated by the Levy Economics Institute of Bard College, New York where she has been nominated as Honorary Research Associate since November, 2006. She was also a visiting faculty to University of Utah, Salt Lake City, USA, to deliver lectures on “Engendering Macroeconomics and International Economics”. She delivered lectures on “Aspects Related

to Gender Budgeting” and “Macroeconomics of Fiscal Deficit: Alternative Paradigms” in the NIPFP-World Bank training programme for College and University teachers from South Asian countries. Some of her papers which were accepted for presentation in national and international conferences were: “Declining Juvenile Sex Ratio in India: Trends and Determinants” (co-authored) IAFFE paper, also at University of Sydney, Australia, and at the Jubilee Celebration of ISI, Kolkata; **Fiscal Deficit, Capital Formation and Crowding out in India: An Econometric Investigation** at ISI, New Delhi; “Determining Environmental Quality in a Federal Setting: An Empirical Analysis of Subnational Governments in India” at the Econometric Conference, 2007; “Public Infrastructure Investment and Unpaid Work: Selective Evidence from Time Use Data” at the XXI AIEL Conference of Labour Economics, Udine Italy. She was invited to attend a project symposium on Tax Incidence in Durban, South Africa, and in a conference on **Economic Development: Historical Perspective and Contemporary Issues** at CDS, Thiruvanthapuram.

Lekha Chakraborty’s published output included five working papers at NIPFP; one working paper at Levy Economics Institute of Bard College, New York, and a mimeographed study report for the Ministry of Rural Development; UNIFEM-European Commission; the Econometric Conference, 2007; and for GEM-IWG, University of Utah. Three of her articles have been accepted for inclusion in forthcoming publications abroad. She also published an article in a financial newspaper.

- **H.K. Amarnath**, Senior Economist, is engaged in the ongoing work under the UNDP project, **Financing of Human Development in India**. During 2006-07, he delivered a lecture on “Financing of Human Development in Tamil Nadu” to senior officers of the state, at Chennai; on “Agriculture Subsidies and Agrarian Crisis” at a media forum in Mumbai; and on “Overview of State Finances in India” and “Public Finance Database – an Overview” at a NIPFP conducted course for probationers of the Indian Audits and Accounts Service.

He was a member in the Joint Working Group on Capacity Building at Local Governance with the Republic of South Africa, under the auspices of the Ministry of *Panchayati Raj*, Government of India; and one among the nine member Indian Delegation to Pretoria, South Africa, to discuss Capacity Building at Local Governance, during January, 2007. He made a presentation on “Rural Development and Decentralisation in India” there.

He was co-author of an article in an edited volume by *OUP*, New Delhi; and published a co-authored article in the *Indian Journal of Commerce*.

- **Diwan Chand**, Economist, is associated with the data upgradation work of the **Public Finance Information System**, being maintained in spreadsheet format by NIPFP on a continuous basis.




• **O.P. Bohra**, Economist, is a team member in the project, **Rural Decentralisation and Participatory Planning for Poverty Reduction** sponsored by UNDP. A draft of the report has been submitted in March, 2007. He was a discussant in another UNDP programme, **Launch of Capacity Development for Decentralisation Urban Governance** at New Delhi. O.P. Bohra's paper presentations included: "Improving *Panchayats* Finances CFC-SFC Approach" at a national workshop at NIRD, Hyderabad; "Augmentation of Resources of Local Governments" at ARSD College, University of Delhi; "Devolution of Resource to Third Tier of Governance: Central Finance Commission Approach" at XXX Indian Social Science Congress at Alagappa University, Tamil Nadu; and "Devolution of Funds to Urban Local Bodies" at the Amity School of Urban Management, New Delhi. He gave three lectures on "Rural Diversification and its Impact on Livelihood and Strategy for non-Farm Sector in Rural Areas" at the Haryana Institute of Public Administration to officers of Agriculture and Rural Development, Government of Haryana; "FRBM Act and the Role of Transfers to the State from the Central Government" to Haryana PCS Officers, also at HIPA; and on "Fiscal Decentralisation and Role of Finance Commission" at the National Academy of Customs, Central Excise and Narcotics, Faridabad.

He delivered a talk on "Local Governments (Institutions) in North East States" at a **Consortium for Educational Communication**, UGC, New Delhi.

O.P. Bohra published an article in a special issue of a journal on north-east; and an article in a financial newspaper.

• **Manish Gupta**, Economist, is a member in the UNDP sponsored project team which submitted the draft report titled, **Rural Decentralisation and Participatory Planning for Poverty Reduction**. The team presented the inception report of this project to members of the Steering Committee at NIPFP in April 2006, and the preliminary findings at the UNDP in December 2006. The overall draft report and the individual state reports pertaining to Madhya Pradesh, Chattisgarh, Orissa, and Rajasthan were submitted to the UNDP in February, and March, 2007. His lectures comprised one on "Externalities and Pollution Taxes" in a training course held at NIPFP for the probationers of Indian Audits and Accounts Services; and another on "Climate Change and Development" at the Institute of Economic Growth, Delhi for the Indian Statistical Service Officers.

He made a paper presentation on "Costs of Reducing Greenhouse Gas Emissions: A Case Study of India's Power Generation Sector", at an **Environmental Economics** workshop at IEG. He also presented a paper entitled, "Estimating Shadow Prices of CO<sub>2</sub> Emissions: A Case Study of Thermal Power Generation Sector in India" at the **Ninth Biennial Conference** of the International Society for Ecological Economics on *Ecology, Sustainability, and well-Being*, held at New Delhi.



The year 2006-07 saw him publish a book on *Greenhouse Gas Emissions*. He published a working paper on a similar subject at *Fondazione Eni Enrico Mattei*, Italy. A co-authored paper of Manish Gupta was also published in *Economic and Political Weekly*.

- **Mita Choudhury**, Economist, is engaged in the completion of a co-authored study on **Inter-State Differences in Health Expenditure – Designing and Implementing Equalisation**. She is also working in an ongoing project at NIPFP, **Financing Human Development in India** in collaboration with other team members. Under this umbrella project, she prepared a *Policy Brief* on “Public spending on Health in Low Income States and Central Transfers” brought out by the Institute under the recently initiated *Policy Brief Series*. She delivered lectures on “Financing the Health Sector: Some Insights” and “Issues Related to Financing of Human Development: Health” in the NIPFP coordinated training courses for College and University teachers; and Indian Audits and Accounts Service probationers.


She published a paper in *Journal of Economics and Finance* during Fall, 2006.

- **Indrani Roy Chowdhury**, Economist, along with two other colleagues submitted to the Planning Commission, the draft of **Mizoram State Development Report** in March, 2007. She was course co-ordinator of the NIPFP-World Bank four-week training programme for College and University teachers from countries in South Asia. She delivered a lecture on “Economics of Micro Finance: Agency Problem” in the above programme. She lectured on “Rural Credit and Micro Finance” to the probationers of IA&AS also in a training course organised by the Institute.

- **Simanti Bandopadhyay**, Economist, was a member in the N.J. Kurien led team which submitted the final draft of **Sikkim State Development Report** to the Planning Commission. She presented the final draft of the study in a seminar held at *Yojana Bhavan*. She is also one of the three authors of the study, **Strengthening Fiscal Capacity of Indian Cities: Implications for Revenue Services Delivering and Economic Activity**, which is nearing completion. She is currently involved in a co-authored study on **Improving the Fiscal Health of Indian Cities: A Pilot Study**.

Simanti Bandopadhyay co-ordinated two international courses on **Public Economy Policy** for officials of Bhutan Government at NIPFP, and in each of these she delivered a lecture on “Sustainable Development”. She also delivered a lecture on the above topic highlighting the indicators of sustainability in a NIPFP-World Bank training programme for College and University teachers from South Asian countries. In yet another NIPFP organised training course for the probationers of IA&AS, she lectured on the “Role of Regulation in Environmental Management”.

- **Harpreet Kaur Azad**, is a Consultant in the Stamp Duty and JnNURM Cell based at NIPFP. She also worked as a team member for monitoring and tracking the reform agenda being prepared



under the JnNURM Scheme; and in the preparation of various ‘Agreements’ on behalf of states and central government.

- **A.K. Halen**, Junior Economist is assisting in the project, **State of India’s Urbanisation** and in the preparation of infrastructure states of cities covered under the JnNURM.

- **Rita Wadhwa**, Editor, edited the draft report for **Rajasthan** one of the four states in the UNDP sponsored project, **Rural Decentralisation and Participatory Planning for Poverty Reduction**. She also edited nine working papers brought out by NIPFP during the year, including one for the Tax Research Unit, and another for the new series instituted under the project, **Financing Human Development**. A *Policy Brief* on “Public Spending on Health in how Income States and Central Transfers”, part of **Financing Human Development** project was edited, designed, and produced by her. As in the past, she wrote, compiled and designed, the Annual Report of NIPFP; designed and oversaw production of the biannual newsletter. She continued to be a member of the website committee at the Institute.

- **S. Siva Chidambaram**, Senior Library and Information Officer, continued to oversee the operations and modernisation of the NIPFP library. He delivered a lecture, “Access and Availability of Public Finances Information (Data/Statistics)” to the probationers of IA&AS in a three-week training course at the Institute. He gave a presentation on “Documentation Framework for Establishing NIPFP – Institutional Repository using DSpace – Feasibility Study” at an international conference on Digital Libraries (ICDL-2006) at TERI, subsequently published.

Siva Chidambaram published an article in an edited volume published by the DELNET, NAELIN 2006, University of Jammu.



## 9. NIPFP Staff

A complete list of staff members – permanent and contractual – as on March 31, 2007, is at Annexure VI.

## 10. Sponsoring Members

The sponsoring, corporate, permanent, and ordinary members of the Institute, as on March 31, 2007, may be seen at Annexure VII.

## 11. Finance and Accounts

The statement of Accounts of the Institute for the financial year 2006-2007, duly audited by the Institute's auditors *M/s Ajay K. Sud and Associates*, Chartered Accountants, is at Annexure VIII.

## LIST OF STUDIES 2006-2007

Title	Sponsoring Agency/Research Unit of the Institute	Author(s) Research Team
<b>STUDIES COMPLETED</b>		
1. Ex-post Gender Sensitive Analysis of Union Budget 2006-07	UNIFEM and GoI	Lekha S. Chakraborty
2. Taxation of Petroleum Crude and Natural Gas in India	Ministry of Petroleum and Natural Gas	Tapas K. Sen Surender Kumar with assistance from Gautam Naresh
3. Tax Enforcement Index	CBDT  Sayan Samanta	A.L. Nagar Sanjay Kumar
4. Projection of Corporate Tax and Personal Income Tax Receipts for FY 2006-07	CBDT	A.L. Nagar Sanjay Kumar Sayan Samanta
5. Updated Projections of Tax Receipts (CT and IT) for FY 2006-07 and Projections for 2007-08	CBDT	A.L. Nagar Sanjay Kumar Sayan Samanta
6. Madhya Pradesh Public Expenditure Management	Govt. of Madhya Pradesh	M. Govinda Rao Pinaki Chakraborty
7. Finances of Karnataka: Fiscal Implications of Pay Revision	Govt. of Karnataka	M. Govinda Rao Pinaki Chakraborty
8. Medium-Term Fiscal Policy Plan for Goa	Govt. of Goa	M. Govinda Rao Pinaki Chakraborty
9. State Development Report of Mizoram	Planning Commission	R. Kavita Rao Gautam Naresh Indrani Roy Chowdhury
10. Working Group on Urban Development for the Eleventh Five Year Plan	Min. of Urban Development and Planning Commission	O.P. Mathur



11.	Rural Decentralisation and Participatory Planning for Poverty Reduction	UNDP	Indira Rajaraman C. Bhujanga Rao Pratap Ranjan Jena O.P. Bohra Manish Gupta
12.	Cost of Urban Infrastructure: Evidence from Indian Cities, South Asia Network of Economic Research Institutions	SANEI	Kala S. Sridhar O.P. Mathur A. Nandy
13.	National Urban Renewal Mission a. JnNURM City Development Plan Appraisals b. Toolkit for the Formulation of City Development Plan of JnNURM Heritage Cities c. Tracking the Urban Reform Agenda under the JnNURM	Min. of Urban Development	O.P. Mathur
14.	Norms for Provision of Core Civic Service and Octroi for Andaman & Nicobar Islands	Andaman & Nicobar Administration	O.P. Mathur Kala S. Sridhar
15.	Strengthening Fiscal Capacity of Indian Cities: Implications for Revenue, Service Delivery, and Economic Activity	World Bank	M. Govinda Rao Somik Lall Simanti Bandyopadhyay
16.	Modeling Economic Impact of Oil Price Changes on Indian Economy – Methods and Applications	Petroleum Planning and Analysis Cell, Gol	Subrata Mandal
17.	Electricity Sector Governance	NIPFP and World Resources Institute (USA) and PRAYAS-Pune	Navroz K. Dubash
18.	Fiscal Decentralisation and Local Level Gender Responsive Budgeting	UNIFEM-European Commission	M. Govinda Rao Amaresh Bagchi Lekha S Chakraborty in association with Samik Chowdhury Darshy Sinha
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## TAX RESEARCH UNIT

1. Tax Breaks for the Small Scale Sector: An Appraisal (Working Paper No. 3) (May 2006) Amaresh Bagchi  
Kavita Rao & Bulbul Sen


## FINANCING HUMAN DEVELOPMENT

1. Public Expenditure on Education: A Review of Selected Issues and Evidence (Working Paper No. 1) (February 2007) Anit N. Mukherjee

## INTERNAL SEMINAR SERIES

Sl. No.	Day and Date	Seminar	Topics
1.	Wednesday July 12, 2006	<i>Vikram K Chand</i> Sr. Public Sector Management Specialist World Bank	<b><i>Reforming Public Services in India: Drawing Lessons From Success</i></b>
2.	Thursday August 3, 2006	<i>Avinash Dixit</i> Princeton University	<b><i>Predatory States &amp; Failing States: An Agency Perspective</i></b>
3.	Tuesday August 8, 2006	<i>Arvind Panagariya</i> Columbia University New York	<b><i>Trade and Foreign Investment: Comparing India and China</i></b>
4.	Friday September 8, 2006	<i>Manju Puri</i> Duke University	<b><i>Importance of Venture Capital in New Firm Creation</i></b>
5.	Tuesday September 12, 2006	<i>Yasuhiro Maehara</i> Hitotsubashi University	<b><i>Next Challenges for the Japanese Economy</i></b>
6.	Friday October 13, 2006	<i>Dhir Jhingran and Deepa Sankar</i> MHRD and World Bank	<b><i>Orienting Outlays toward Needs: An Evidence-based Equity-focused Approach for SarvaShiksha Abhiyan</i></b>
7.	Monday October 30, 2006	<i>Meine Pieter van Dijk</i> Erasmus University	<b><i>Managing Cities in Developing Countries</i></b>
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9.	Friday January 12, 2007	<i>Ajay Shah</i> NIPFP	<b><i>Issues Relating to Reform of Pension System in India</i></b>
10.	Tuesday February 27, 2007	<i>H.K. Amarnath and Mita Choudhury</i> , NIPFP	<b><i>Financing Human Development in Tamil Nadu</i></b>



- 
11. Thursday  
March 1, 2007  
*Dieter Rothermund*  
University of Heidelberg  
***Financial Coordination in  
Federal States:  
Comparison of India and  
Germany***
  12. Monday  
March 5, 2007  
*Prabhakar Singh*  
CMIE  
***Accessing the CMIE Data  
Base***
  13. Wednesday  
March 21, 2007  
*Stuti Khemani*  
World Bank  
***Understanding Political  
Incentives for Public  
Spending : What can we  
Learn from the MPLADS  
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- f. 3 co-authored articles in *Economic Times*.

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- i. 6 Articles in *Economic Times*

### NAVROZ K DUBASH

- a. “The Local Politics of Groundwater Development and Groundwater Markets in North Gujarat” in (ed.) Amita Bavskar, *Waterscapes: The Cultural Politics of a Natural Resource*. New Delhi: Permanent Black (2006).
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- b. “Children’s Environmental Health Issues: Concerns and Challenges, in (ed.) Saba Gul Khattak. Islamabad, Pakistan: SDPI (2006).

## R. KAVITA RAO

- a. (co-authors: Amaresh Bagchi & Bulbul Sen) “Tax Breaks for the Small Scale Sector: An Appraisal” Working Paper No. 3, NIPFP Tax Research Unit, May 2006.
- b. (co-author: M. Govinda Rao) “Trends and Issues in Tax Policy and Reform in India” in (eds.) Suman Bery, Barry Bosworth and Arvind Panagariya, *NCAER/Brookings India Policy Forum 2005/06*. Vol. 2: 55-122. New Delhi: Sage Publications (2006).
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## ILA PATNAIK

- a. “Indian currency regime and its consequences”, *Economic and Political Weekly*, 17, March 2007.
- b. 10 articles in *Indian Express*; and 3 in *Financial Express*.

## OM PRAKASH MATHUR

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- e. “Urban India” in (eds.) Roberts Brian and Trevor Kanaley, *Urbanisation and Sustainability in Asia: Good Practice Approaches in Urban Region Development*. ADB and Cities Alliance.

## BULBUL SEN

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- b. 1 article in *Business Standard*.

## KALA S. SRIDHAR

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- d. “Cities” in (ed.) Basu K., *Oxford Companion to Economics in India*. New Delhi: Oxford University Press (2007).

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- f. 3 articles in *Financial Express*; 1 in a joint venture of *The Hindustan Times, India, and Wall Street Journal*; 1 article in *The Economic Times*.

### **PINAKI CHAKRABORTY**

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- b. (co-authors: D.K. Srivastava, S.K. Sanyal, and C. Bhujanga Rao) “Rural Poverty in Madhya Pradesh: Looking Beyond Conventional Measures”, *Economic and Political Weekly*, XLII(5), (February, 2007).
- c. (co-author: M. Govinda Rao) “Multilateral Adjustment Lending to States in India: Hastening Fiscal Correction or Softening the Budget Constraint?”, *Journal of International Trade and Economic Development*: 15(3): 335-358. Routledge Taylor & Francis Group, (September 2006).

### **ANIT N. MUKHERJEE**

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- b. “Demographic Dividend: Making it Pay”. *Economic Times Editorial Debate*, December 2006.

### **PRATAP RANJAN JENA**

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### **C. BHUJANGA RAO**

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- b. (co-author) “Rural Poverty in Madhya Pradesh: Looking Beyond Conventional Measures”, *Economic and Political Weekly* XLII(5):265-268 (February 2007).
- c. (co-author) “State Finances” in, *Uttar Pradesh Development Report* Vol. 1 & 2, Planning Commission, Government of India; 481-539. New Delhi: Academic Foundation (2007).

### **GAUTAM NARESH**

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## LEKHA S. CHAKRABORTY

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- d. "Fiscal Deficit, Capital Formation and Crowding Out: Evidence from India", NIPFP Working Paper No. 43, December 2006.
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- f. (co-author: Diane Elson) "Fiscal Policy, Economic Growth and Human Development: An Empirical Investigation of Asian Countries and Pacific. GEM-IWG, University of Utah (mimeo).
- g. "Fiscal Deficit, Capital Formation and Crowding out in India: Evidence from an Asymmetric VAR Model, Working Paper 2007, The Levy Economics Institute of Bard College, New York.
- h. "Determining Environmental Quality in a Federal Setting: An Empirical Analysis of Sub-national Governments in India, The Econometric Conference, 2007 (mimeo).
- i. "Public Investment and Unpaid Work: Selective Evidence from Time Use Data", in *Global Economy and Unpaid Work*, New York: The Levy Economics Institute of Bard College (forthcoming).
- j. (co-author: Darshy Sinha) "Declining Juvenile Sex Ratio in India: Trends and Determinants", in Edited volume on selected papers of Jubilee Conference of ISI, Kolkatta (forthcoming).
- k. "Sensitising Financial Allocations through Gender Budgeting", CSD Conference Volume, New Delhi: Pearson Publications (forthcoming)
- l. 1 article in *Economic Times*.

## MUKESH KUMAR ANAND

- a. "Pensions in India", in (ed.) Basu Kaushik, *Oxford Companion to Economics in India*. New Delhi: Oxford University Press.

## SUBRATA MANDAL

- a. "Sustainable land-use and water management in mountain ecosystems", in (eds.) Koomen E., J. Stillwell, A. Bakema, H.J. Scholten, *Modeling land-use change: Progress and Applications: 167-180*. The Netherlands: Springer (2007).

## H.K. AMARNATH

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- b. (co-author) "Performance of Public Enterprises – A Case Study of Andhra Pradesh", *Indian Journal of Commerce*, 59(1); Jan-March 2006.

## MITA CHOUDHURY

- a. “Motive Behind Equity Holiday by Banks: Evidence from India”, *Journal of Economics and Finance* 30(3), Fall 2006.
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## O.P. BOHRA

- a. “Fiscal Decentralisation and Local Government in the North-East States”, Special Issue on North-East, *Manpower Journal*, Vol. XXXXI; April-June 2006.
- b. 1 co-authored article in *Economic Times*.

## MANISH GUPTA

- a. *Restricting Greenhouse Gas Emissions: Economic Implications for India*. New Delhi: Serials Publications (2006).
- b. (co-authors: Bhujanga Rao and Pratap R. Jena) “Central Flows to *Panchayats*: A Comparative Study of Madhya Pradesh” *Economic and Political Weekly*, XLII(5): 365-368; February, 2007.
- c. “Costs of Reducing Greenhouse Gas Emissions: A Case Study of India’s Power Generation Sector” FEEM Working Paper No. 147, *Fondazione Eni Enrico Mattei*, Italy (2006).

## S. SIVA CHIDAMBARAM

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- b. “Documentation Framework for Establishing NIPFP – Institutional Repository using DSpace – Feasibility Study”.

## ANNEXURE-VI

### LIST OF STAFF MEMBERS AS ON 31.3.2007

- |    |                   |          |
|----|-------------------|----------|
| 1. | Dr. C. Rangarajan | Chairman |
| 2. | Dr. M.G. Rao      | Director |

#### ACADEMIC STAFF

- |     |                            |  |
|-----|----------------------------|--|
| 1.  | Dr. R.J. Chelliah          | Professor of Eminence                    |
| 2.  | Dr. A. Bagchi              | Emeritus Professor                       |
| 3.  | Dr. (Ms.) Indira Rajaraman | Senior Fellow                            |
| 4.  | Dr. Tapas Kumar Sen        | Senior Fellow                            |
| 5.  | Dr. (Ms.) Rita Pandey      | Senior Fellow                            |
| 6.  | Dr. (Ms.) R. Kavita Rao    | Senior Fellow                            |
| 7.  | Dr. Navroz K. Dubash       | Senior Fellow (relieved w.e.f. 5.7.2006) |
| 8.  | Dr. (Ms.) Ila Patnaik      | Senior Fellow (joined w.e.f. 1.12.2006)  |
| 9.  | Dr. Ajay Shah              | Senior Fellow (joined w.e.f. 12.2.2007)  |
| 10. | Dr. (Ms.) Kala S. Sridhar  | Fellow                                   |
| 11. | Dr. Pinaki Chakraborty     | Fellow                                   |
| 12. | Dr. C. Bhujanga Rao        | Senior Economist                         |
| 13. | Dr. Gautam Naresh          | Senior Economist                         |
| 14. | Ms. Lekha Chakraborty      | Senior Economist                         |
| 15. | Dr. P.R. Jena              | Senior Economist                         |
| 16. | Dr. Subrata Kumar Mandal   | Senior Economist                         |
| 17. | Dr. Mukesh Kumar Anand     | Senior Economist                         |
| 18. | Dr. H.K. Amarnath          | Senior Economist                         |
| 19. | Shri Diwan Chand           | Economist                                |
| 20. | Dr. O.P. Bohra             | Economist                                |
| 21. | Dr. Debdatta Majumdar      | Economist (relieved w.e.f. 21.7.2006)    |
| 22. | Dr. Indrani Roy Chowdhury  | Economist (relieved w.e.f. 31.1.2007)    |
| 23. | Dr. Manish Gupta           | Economist                                |
| 24. | Ms. Simanti Bandopadhyay   | Economist                                |
| 25. | Ms. Mita Choudhury         | Economist                                |
| 26. | Shri A.K. Halen            | Junior Economist                         |
| 27. | Ms. Gita Bhatnagar         | Research Associate                       |

#### ADMINISTRATIVE STAFF

- |    |                      |   |
|----|----------------------|---|
| 1. | Shri L. Gurumurthy   | Secretary (w.e.f. 14.6.2006)  |
| 2. | Ms. Sushila Panjwani | Sr. PPS to Chairman<br>(on deputation to Chairman's office w.e.f. January 2005) |
| 3. | Shri S.D. Mudliar    | Sr. Accounts Officer<br>(on deputation- relieved on 18.12.2006)                 |



4.	Shri N. Natarajan	Sr. PPS to Director
5.	Shri R. Parameswaran	Private Secretary
6.	Shri R. Periannan	Private Secretary (on deputation to Chairman's office w.e.f. September 5, 2005)
7.	Shri Naveen Bhalla	Senior Administrative Officer
8.	Ms. Rita Wadhwa	Editor
9.	Mr. Harinder Singh Kalsi	Accounts Officer (joined w.e.f. 1.11.2006) (relieved w.e.f. 30.11.2006)
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	Accounts Executive [under suspension]
15.	Shri S.C. Sharma	Accounts Executive
16.	Shri Bhaskar Mukherjee	Executive Officer
17.	Shri Parvinder Kapur	Stenographer Gr.I
18.	Ms. Promila Rajvanashi	Stenographer Gr.I
19.	Ms. Indra Hassija	Assistant
20.	Shri S.N. Sharma	Assistant
21.	Shri J.S. Rawat	Assistant
22.	Ms. Kavita Issar	Stenographer Gr.II
23.	Shri Anurodh Sharma	Stenographer Gr.II
24.	Shri V.M. Budhiraja	Clerk (Accounts)
25.	Shri Nand Ram	Clerk-cum-Typist
26.	Shri Birender Singh Rawat	Clerk (Accounts)
27.	Mr. R. Surendran	Steno-typist (w.e.f. 8.5.2006)
28.	Ms. Usha Mathur	Steno-typist (w.e.f. 1.5.2006)
29.	Ms. Amita Padhwal	Steno-typist (w.e.f. 1.5.2006)
30.	Ms. Ruchi Anand	Receptionist-cum-Telephone Operator
31.	Shri H.B. Pandey	Photocopying Operator
32.	Shri Devi Singh	Hostel Attendant
33.	Shri Dhanpat	Hostel Attendant
34.	Shri Raju	Driver
35.	Shri Parshu Ram Tiwari	Driver
36.	Shri Hira Singh	Junior Library Attendant
37.	Shri Kishan Singh	Watchman
38.	Shri Shiv Bahadur	Gardener
39.	Shri K.N. Mishra	Watchman
40.	Shri Bishamber Pandey	Messenger
41.	Ms. Kamla Tiwari	Messenger
42.	Ms. Annamma George	Messenger
43.	Ms. Palayee	Gardener
44.	Shri Shiv Pratap	Gardener

## COMPUTER UNIT


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

## LIBRARY STAFF

- |    |                        |  |
|----|------------------------|--|
| 1. | Shri Siva Chidambaram  | Senior Library & Information Officer     |
| 2. | Shri Dinesh Chand      | Assistant Library & Information Officer  |
| 3. | Ms. Sudha Saxena       | Assistant Library & Information Officer  |
| 4. | Shri P.C. Upadhyay     | Senior Library and Information Assistant |
| 5. | Shri Kapil Kumar Ahuja | Stenographer Gr.II                       |
| 6. | Ms. Manju Thakur       | Senior Library and Information Assistant |
| 7. | Shri Dharamvir         | Sr. Library Attendant                    |
| 8. | Shri Mohan Singh       | Messenger                                |
| 9. | Shri Puran Singh       | Messenger                                |

## CONTRACTUAL ACADEMIC STAFF

- |     |                            |   |
|-----|----------------------------|---|
| 1.  | Prof. O.P. Mathur          | Principal Consultant                      |
| 2.  | Prof. A.L. Nagar           | Hony. Visiting Fellow                     |
| 3.  | Prof. Manmohan Lal Agarwal | Part-time Senior Consultant               |
| 4.  | Mrs. Swapna Mukhopadhyay   | Visiting Fellow (joined w.e.f.17.10.2006) |
| 5.  | Shri. Anit Nath Mukherjee  | Consultant                                |
| 6.  | Ms. Anuradha Bhasin        | Consultant                                |
| 7.  | Ms. Harpreet Kaur Azad     | Consultant                                |
| 8.  | Shri. S.Mukhopadhyay       | Coordinator (joined w.e.f. 1.2.2007)      |
| 9.  | Ms. Sona Mitra             | Consultant                                |
| 10. | Ms. Protiva Kundu          | Consultant                                |
| 11. | Ms. Darshy Sinha           | Consultant                                |
| 12. | Shri. Sayan Samanta        | Project Associate                         |
| 13. | Ms. Tanaya Sinha           | Project Associate                         |
| 14. | Shri. Krishanau Karmakar   | Project Associate                         |
| 15. | Shri. Saswata Chaudhury    | Project Associate                         |
| 16. | Shri. Satadru Sikdar       | Project Associate                         |
| 17. | Shri. Arindam Banerjee     | Project Associate                         |
| 18. | Ms. Bodapati Srujana       | Project Associate                         |
| 19. | Shri. Satadru Mukherji     | Project Associate                         |
| 20. | Shri. Narendra Jena        | Junior Project Associate                  |
| 21. | Shri. Sandip Kumar Biswal  | Junior Project Associate                  |
| 22. | Ms. Shweta                 | Junior Project Associate                  |
| 23. | Ms. Soma Patra             | Junior Project Associate                  |
| 24. | Ms. Jeyanthi Krishna       | Project Associate                         |
| 25. | Ms. Monica Jaitly          | Junior Project Associate                  |

- 
26. Ms. V.K. Deepa Project Associate
  27. Ms. Priya V.K. Project Associate
  28. Shri. Sridhar Kundu Project Associate (relieved -30.3.2007)
  29. Shri. Ashish Kr.Jha Project Associate (relieved -30.3.2007)

#### **ADMINISTRATION**

1. Ms. Sushma Malhotra Steno-typist

#### **ACCOUNTS**

1. Shri. Jivesh Kumar Thakur Assistant (relieved w.e.f. 12.3.2007)

#### **LIBRARY**

1. Ms. Azad Kaur Library Assistant

**LIST OF SPONSORING, CORPORATE, PERMANENT, AND  
ORDINARY MEMBERS AS ON 31.3.2007**

**A. SPONSORING MEMBERS**

**STATES**

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

**AJAY K. SUD & ASSOCIATES**  
Chartered Accountants

B-4, Greater Kailash Enclave Part - II, New Delhi - 110 048  
Tel. No. 2922 0616, 2921 5581; Fax No. 2921 6879; E-mail : aksaca@vsnl.net

**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, 2007 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. These 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, 2007 and
  - b) in the case of Income and Expenses Statement, of the Surplus for the year ended on that date.

for Ajay K. Sud & Associates  
Chartered Accountants

**sd/-**  
(Krishna Kumar Singh)  
Partner

Place : New Delhi  
Date : August 06, 2007



**BALANCE SHEET AS ON MARCH 31, 2007**

<b>Particulars</b>	<b>Schedule</b>	<b>As On 31-Mar-07 Rs.</b>	<b>As On 31-Mar-06 Rs.</b>
<b>CORPUS/ CAPITAL FUND AND LIABILITIES</b>			
<b>LIABILITIES</b>			
Corpus/Capital Fund	<b>1</b>	69,009,769	67,687,746
Reserves and Surplus	<b>2</b>	14,620,851	14,620,851
Endowment/Earmarked Funds	<b>3</b>	50,343,761	49,730,105
Current Liabilities and Provisions	<b>4</b>	27,714,028	19,259,932
<b>TOTAL</b>		<u>161,688,409</u>	<u>151,298,634</u>
<b>ASSETS</b>			
Fixed Assets(Net Value)	<b>5</b>	35,491,228	36,901,262
Investment of Endowment /Earmarked Fund	<b>6</b>	41,906,170	43,606,170
Investments-Others	<b>7</b>	58,285,000	38,515,000
Current Assets, Loans Advances Etc	<b>8</b>	26,006,011	32,276,202
<b>TOTAL</b>		<u>161,688,409</u>	<u>151,298,634</u>
Significant Accounting Policies	<b>18</b>		
Notes on Accounts	<b>19</b>		

Schedules 1 to 19 form integral part of this Statement

**sd/-**  
( L.Gurumurthy )  
Secretary

**sd/-**  
(Dr. M. Govinda Rao)  
Director

**sd/-**  
(Dr. C. Rangarajan)  
Chairman

As per our report of even date

**for Ajay K. Sud & Associates**  
**Chartered Accountants**  
**sd/-**  
**(Krishna Kumar Singh)**  
**Partner**

Place : New Delhi  
Dated : August 06, 2007

**INCOME AND EXPENSES STATEMENT FOR THE YEAR ENDED MARCH 31, 2007**

Particulars	Schedule	Year Ended 31-Mar-07 Rs.	Year Ended 31-Mar-06 Rs.
<b>INCOME</b>			
Grants in Aid/Subsidies	<b>9</b>	22954967	21,163,000
Income from Academic activities	<b>10</b>	21,722,592	29,536,266
Interest earned	<b>11</b>	4,041,364	2,850,144
Other Income	<b>12</b>	2,617,125	3,030,374
Increase / ( Decrease) in Publication Stock		(44,324)	9,377
Prior Period Income	<b>13</b>	378,276	4,830
<b>TOTAL</b>		<u>51,670,000</u>	<u>56,593,991</u>
<b>EXPENSES</b>			
Establishment expenses	<b>14</b>	20,667,736	18,772,138
Expenditure on Academic activities	<b>15</b>	17,302,666	23,105,772
Administrative Expenses	<b>16</b>	3,386,505	1,679,466
Depreciation (Refer Sche - 5 )		2,898,270	2,314,750
Prior Period Expenses	<b>17</b>	5,592,800	162,423
<b>TOTAL</b>		<u>49,847,977</u>	<u>46,034,549</u>

Surplus for the year	1,822,023	10,559,442
Surplus for the Previous Years		1,973,690
<b>Surplus available for appropriation</b>	<b>1,822,023</b>	<b>12,533,132</b>
Transfer to General Reserve		10,000,000
Less : Transfer to Additional Liability Fund	500,000	1,500,000
Surplus carried forward to Corpus Fund	<b>1,322,023</b>	<b>1,033,132</b>
<b>Significant accounting policies</b>	<b>18</b>	
Notes on Accounts	<b>19</b>	

Schedules 1 to 19 form integral part of this Statement

**sd/-**  
(L.Gurumurthy)  
Secretary

**sd/-**  
(Dr. M. Govinda Rao)  
Director

**sd/-**  
(Dr. C. Rangarajan)  
Chairman

As per our report of even date

**for Ajay K. Sud & Associates**  
**Chartered Accountants**

**sd/-**  
**(Krishna Kumar Singh)**  
**Partner**

Place : New Delhi

Dated : August 06, 2007

	As On 31-Mar-07 Rs.	As On 31-Mar-06 Rs.
--	---------------------------	---------------------------

### Schedule - 1

#### CORPUS/CAPITAL FUND.

Balance at the beginning of the year	67,687,746	66,654,614
Add: Transfer from Income & Expenditure	1,322,023	69,009,769
	1,033,132	67,687,746
<b>TOTAL</b>	<b>69,009,769</b>	<b>67,687,746</b>

### Schedule - 2

#### RESERVE AND SURPLUS

General Reserve		
As Per Last Account	14,620,851	10,000,000
Addition :		
Initial Endowment Fund		4,620,851
<b>TOTAL</b>	<b>14,620,851</b>	<b>14,620,851</b>

Particulars	Ford Foundation	Government Endowment Fund	RBI Endowment Fund	Scientific Research fund	Life Ship Fund	Member Award Fund	Bimla Bagchi Award Fund	Jokhan Maurya Fund	Additional Liability Fund	Total
<b>INITIAL FUND</b>	6177924	10000000	15000000	727406	420000	50000	29300			
(a) Opening Balance as on 1.4.2006	13634675	10000000	16649770	945034	594920	76005	39838	7789863		49730105
(b) Additions to the fund during 2006-07										
(i) Income from investments	1066136	820787	1151450	64835	44245	4000	2000			3153453
(ii) Contributions from the surplus of the Institute								500000		500000
<b>TOTAL (a+b)</b>	14700811	10820787	17801220	1009869	639165	80005	41838	8289863		53383558
(c) Utilisation/Expenditure towards the objective of the fund	1012622	820787	1191388			15000				3039797
<b>Total expenditure</b>	1012622	820787	1191388			15000				3039797
<b>NET BALANCE AT THE END</b>										
<b>OF THE YEAR (a+b-c)</b>	13688189	10000000	16609832	1009869	639165	65005	41838	8289863		50343761

**Schedule - 3**

**EARMARKED/ENDOWMENT FUNDS**

## Schedule - 4

### CURRENT LIABILITIES & PROVISIONS

#### A CURRENT LIABILITIES

	As On 31-Mar-07 Rs.	As On 31-Mar-06 Rs.
1. Project Fees received in advance (ref sch 15)	14,505,863	13,951,947
2. Sundry Creditors for Goods	1,880,403	943,797
3. Grant Refundable to Central Government	510,033	-
4. Other Current Liabilities	3,837,944	4,021,295
5. Earnest Money Deposit/ Security Deposit	352,893	342,893
<b>TOTAL ( A )</b>	<b>21,087,136</b>	<b>19,259,932</b>

#### B PROVISIONS

1. Provisions for Leave encashment	6,392,610	-
2. Provision- Service tax on Income to be realised	234,282	-
<b>TOTAL ( B )</b>	<b>6,626,892</b>	<b>-</b>
<b>GRAND TOTAL (A+ B )</b>	<b>27,714,028</b>	<b>19,259,932</b>



S.NO.	DESCRIPTION	Gross Block (at cost)		Depreciation		Written Down Value					
		As On 31-03-06 Rs.	Additions Rs.	Sales / Adjustments Rs.	As On 31-03-07 Rs.	Upto 01.04.06 Rs.	For the Year Rs.	Sales / Adjustments Rs.	Upto 31-03-07 Rs.	As On 31-03-07 Rs.	As On 31-03-06 Rs.
<b>Schedule - 5</b>											
<b>FIXED ASSETS</b>											
1.	Leasehold Land	18197718	-	-	18,197,718	-	-	-	-	18,197,718	18,197,718
2.	Building	20145840	-	-	20,145,840	5,660,933	362123	-	6023056	14,122,784	14,484,907
3.	Data Processing Equipment	14913812	957,350	-	15,871,162	13,334,550	1017251	-	14358704	1,519,361	1,579,262
4.	Office Equipment	4207015	58,583	-	4,265,598	4,457,141	42997	-	4196539	65,460	49,874
5.	Furniture and Fixtures	2225697	-	-	2,225,697	2,190,089	23233	-	2213312	12,375	35,608
6.	Hostel, Library, Computer & Seminar Room Furniture	3641038	10,856	-	3,651,894	3,641,038	1809	-	3642847	9,047	-
7.	Air Conditioner and Water Coolers	3850192	145,397	-	3,995,589	3,776,448	103976	-	3880424	115,165	73,744
8.	Electric Installations	3213033	1,050	-	3,214,083	2,708,430	449351	-	3157481	56,602	504,903
9.	Vehicles	901981	-	-	901,981	730,615	171364	-	901981	2	171,366
10.	Horticulture Equipment	93927	-	-	93,927	87,334	6593	-	93927	-	6,593
11.	New Building Working Progress	-	315,000	-	315,000	-	-	-	-	315,000	-
<b>Fixed Assets acquired out of Foreign Contribution Funds</b>											
12.	Data Processing Equipment	9880	-	-	9,880	3,293	3293	-	6586	3,294	6,587
13.	Furniture and Fixtures	1523860	-	-	1,523,860	253,977	507953	-	761930	761,930	1,269,883
14.	Horticulture Equipment	624980	-	-	624,980	104,463	208327	-	312490	312,490	520,817
<b>TOTAL</b>		73548973	1,488,236	-	75,037,209	36,647,711	2898270	-	39549276	35,491,228	36,901,262
<b>PREVIOUS YEAR</b>		70132841	3,527,304	111,472	73,548,973	34,444,433	2314750	111,472	36647711	36,901,262	

	As on 31-Mar-07 Rs.	As on 31-Mar-06 Rs
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### Schedule - 6

#### INVESTMENT OF ENDOWMENT/EARMARKED FUNDS

In Governemnt Securities	30,635,920	32,335,920
Other Approved Securities	11,270,250	11,270,250
<b>TOTAL</b>	41,906,170	43,606,170

### Schedule - 7

#### INVESTMENT OTHERS

In Governemnt Securities	49,040,000	36,015,000
Other Approved Securities	1,245,000	-
Others- Bank Deposit	8,000,000	2,500,000
<b>TOTAL</b>	58,285,000	38,515,000

## Schedule - 8

### CURRENT ASSETS, LOANS, ADVANCES, ETC

#### A. CURRENT ASSETS

##### 1. Inventories

1. Stock of Publications		187,673		231,997
2. Sundry Debtors	160,653		156,370	
Project Fees /others/ cells etc Accrued (ref Sch 15)	<u>6,099,420</u>	6,260,073	<u>5,532,609</u>	5,688,979
3. Cash Balance in Hand (Including Cheques/Imprest)		11,218		4,674,681
4. Bank Balances				

##### Savings Accounts- Scheduled Banks:

Canara Bank Jit Singh Marg Saving A/c No 1555	2,768,567.00		3,372,471	
Canara Bank Jit Singh Marg Saving A/c No 26094	5,000.00		5,000	
Canara Bank Jit Singh Marg Dollar A/c	38,153.00		38,153	
State Bank of India JNU A/c No 01000/67160	109,313.11		316,179	
State Bank of India JNU A/c No 01000/67135	5,101.00		180,506	
State Bank of India JNU UNDP S A/c No 01100/035195	11,360.73		12,761	
Canara Bank Jit Singh Marg UNDP Saving A/c No 27431	<u>90,860.00</u>		<u>2,975,812</u>	
		3,028,355		6,900,882

#### B. LOANS, ADVANCES AND OTHER ASSETS

1. Advances and other amounts recoverable				
a) Staff (Festival)	10,650		12,750	
b) Prepaid Expenses	2,366,652		165,770	
c) Advance to Staff for expenses	147,200		130,351	
d) Advance for Expenses	489,979		88,232	
e) Advance to NIPFP PF Trust	<u>10,722,121</u>	13,736,602	<u>10,722,121</u>	11,119,224
2. Interest Accrued		1,787,393		1,737,244
3. Claims Receivable				
- Income Tax Recoverable	764,698		1,016,913	
- Service Tax Recoverables	100,000			
- Course and Programme Fee Receivable	-			
- State Govt. Grants	<u>130,000</u>	994,698	<u>906,282</u>	1,923,195

#### TOTAL

	<u>26,006,011</u>		<u>32,276,202</u>	
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## Schedule - 9

### GRANTS FROM GOVERNMENTS

#### A. GRANTS FROM CENTRAL GOVERNMENT

	Year ended 31.03.2007		Year ended 31.03.2006	
	Amount (Rs.)	Balance Unutilised	Amount (Rs.)	Balance Unutilised
Recurring Grant	2,000,000		1,500,000	
Less: Utilised during the year	2,000,000	-	1,500,000	-
Pay Grant Received During the Year	19,100,000		17,150,000	
Less: Utilised during the year	18,589,967	510,033	17,150,000	-
TRC Grant	1,500,000		1,500,000	
Less: Utilised during the year	1,500,000	-	1,500,000	-
	-	510,033	-	-

\*\* Appears under Current Liabilities in the Balance Sheet

#### B. GRANTS FROM STATE GOVERNMENTS

##### General Support Grants

Government of Karnataka		150,000	
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		
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 Uttaranchal	0		150,000
Government of Nagaland	80,000		78,000
Government of Mizoram	50,000		50,000
Government of Gujarat	50,000		
<b>TOTAL (B)</b>	865,000		1,013,000
Less: Utilised during the year	865,000	-	1,013,000

## Schedule - 10

### INCOME FROM ACADEMIC ACTIVITIES

	Year ended 31 - March - 2007 ( Rs.)	Year ended 31 - March - 2006 ( Rs.)
Project Fees	12,561,475	18,673,063
Course and Programme Fees	9,161,117	10,863,203
<b>TOTAL</b>	<b>21,722,592</b>	<b>29,536,266</b>

## Schedule - 11

### INTEREST EARNED

Interest earned from banks/ Financial institutions	4,041,364	2,850,144
<b>TOTAL</b>	<b>4,041,364</b>	<b>2,850,144</b>

## Schedule - 12

### OTHER INCOME

Sale of Publications	15,574	33,125
Corporate Membership Fees	-	10,000
Other Receipts	2,601,551	2,962,034
Income on Disposal of Fixed Assets	-	25,215
<b>TOTAL</b>	<b>2,617,125</b>	<b>3,039,751</b>

### Schedule - 13

#### PRIOR PERIOD INCOME

Travelling and Conveyance - Recoverable		3,830
Repairs and Maintenance- Recoverable	18,271	-
Publication / Hostel advances	6,118	-
Project Income	187,298	-
Fees - Course and Programme	25,950	-
State Govt. Grant (Maharashtra)	100,000	-
Cost of Publication - Recoverable		1,000
Other Payable Written Off	19,162	-
Salaries and Allowances- Recoverable	21,477	-
<b>TOTAL</b>	<b>378,276</b>	<b>4,830</b>

### Schedule 14

#### ESTABLISHMENT EXPENSES

Salaries and Allowances	19,448,271	18,547,787
Contribution to PF and Other Funds	3,342,198	2,604,783
Staff Benefits and Welfare	2,800,694	1,633,294
EDLI & Admin. Charges	115,586	107,586
Consultancy Fees	1,325,489	175,850
<b>TOTAL</b>	<b>27,032,238</b>	<b>23,069,300</b>
Less: Charged to Academic Activities	6,364,502	4,297,162
<b>TOTAL</b>	<b>20,667,736</b>	<b>18,772,138</b>

S. No	PROJECT FEES(A)	UNUTILISED AS ON		RECEIPTS		TOTAL		UTILISED		UNUTILISED AS ON 31.03.2007
		RECOVERABLES 01.04.2006	01.04.2006	2006-2007	2006-2007	DURING 2006-2007	RECOVERABLE AS ON 31.03.2007			
1	Planning Commission - Grant-in-aid to prepare the chapter on Fiscal Component of UPDR	-	200,000	200,000	-	-	-	-	-	-
2	Consultancy for Value Added Taxes for Govt of Bihar	-	250,000	-	(250,000)	-	250,000	-	-	-
3	Preparation of State Development Report-(SDR) on Andaman And Nicobar Islands	-	300,000	-	(300,000)	-	300,000	-	-	-
4	Project- Study on Alternatives to Octroi - Govt. of Punjab	-	150,000	-	(150,000)	-	150,000	-	-	-
5	An Analysis of The Imports on Petroleum Crude and Natural Gas	-	350,000	500,000	150,000	400,000	250,000	-	-	-
6	Sikkim Development Report	-	340,000	-	(340,000)	-	340,000	-	-	-
7	Study On Developing Norms and Standards for Core Civic Services(ANA)	-	147,568	400,000	252,432	427,760	175,328	-	-	-
8	Local Level Gender Responsive Budget Initiatives	-	518,787	518,787	-	-	-	-	-	-
9	UNDP- Study On Conduct Research on Financing Human Development - Chattisgarh, Himachal Pradesh, Madhya Pradesh, West Bengal	6,860,000	-	-	6,860,000	1,480,975	-	5,379,025	-	-
10	ADB- Capacity Building For Fiscal Reforms in Sikkim	-	1,186,145	1,186,145	-	-	-	-	-	-
11	Govt of Punjab-Comparative Study of the Sales Tax System in Punjab- Vis a vis Other States	142,500	-	-	142,500	-	-	142,500	-	-
12	Planning Commission- State Development Report of Mizoram	-	703,200	-	(703,200)	300,000	1,003,200	-	-	-
13	Ministry of Petroleum & Natural Gas-modeling Economic Impact of Oil Price	-	-	-	-	-	-	-	-	-
14	Govt.Of Chhattisgarh- Selected Aspects of Financial Management in Chhattisgarh	-	525,000	525,000	-	-	-	-	-	-
15	Planning Commission- Database on State Finances Covering 1987 to date	51,560	-	-	51,560	350,000	298,440	-	-	-
16	World Bank- Strengthening Fiscal Capacity in India	-	-	1,191,419	1,191,419	1,191,419	-	-	-	-
17	Ministry of Urban Development-Preparation of a report on state of India's Urbanisation	-	-	-	-	950,000	950,000	-	-	-
18	UNIFEM- Ex- post Gender Sensitive analysis of the Union Budget 2006-07	-	-	127,680	127,680	127,680	-	-	-	-
19	UNAIDS_ Commission on AIDS in Asia and the Pacific	-	-	5,092,800	5,092,800	2,366,392	-	2,726,408	-	-
20	DFID-A/F Ferguson and co- MP Strengthening Public Expenditure Management	-	-	773,440	773,440	773,440	-	-	-	-
21	World Bank- Fiscal Management Challenges in Indian States	-	-	544,440	544,440	540,493	-	4,247	-	-
22	WHO-Inter State Difference in Health Expenditures : Designing & Implementing.	-	-	174,250	174,250	174,250	-	-	-	-
23	Govt of Karnataka-Revising the Pay Scales of Govt. Employees	-	-	450,000	450,000	450,000	-	-	-	-
24	Govt of Goa-FRBM rules and Medium Term Fiscal Plan 2005-10	-	-	-	-	156,000	156,000	-	-	-

**Schedule - 15**

**EXPENDITURE ON ACADEMIC ACTIVITIES**



25	Ministry of Urban Development-City Development of Cities under INNURM	1,520,000	1,520,000	500,000	-	1,020,000
26	Govt of India Ministry of Urban-Expression of Interest for appraisal of City Development Plan	1,250,000	1,250,000	300,000	-	950,000
27	UNDP- Capacity Building Programme in three State in Nigeria	1,424,691	1,424,691	1,424,691	-	-
28	NER- North East Region - Vision 2020	2,752,000	2,752,000	770,650	-	1,981,350
29	Inter-state Council - MHA Content Development of Web Site	450,000		450,000		
30	Service Tax Paid on Projects			(571,975)		(430,903)
	<b>TOTAL (A)</b>	7,054,060	4,670,700	18,630,652	21,014,012	12,561,475
					3,872,968	11,772,627

#### CHAIRS/ Cells and Other Grants ( c )

1	UNDP	1,023,725	-	72,418	1,096,143	-	1,096,143
2	CIDA - Poverty Reduction	294,795	-	294,795	-	-	294,795
3	World Bank - Jaipur Course	-	118,968	-	-	118,968	-
4	WRI - Electricity Governance	-	131,248	531,746	400,498	688,933	288,435
5	Cell on Data Bank	40,497	-	-	40,497	-	40,497
6	State Finance Cell	155,099	-	-	-	-	155,099
7	IDFC Chair	669,340	-	1,000,000	1,669,340	539,446	1,129,894
8	ADB Grant	170,897	170,897	-	-	-	-
9	Planning Commission - State Finances	5,443	5,443	-	-	-	-
10	SANEI, Pakistan-Cost of Urban Infrastructure.	564,287	581,874	17,587	779	-	16,808
11	UNDP-Rural Decentralisation and Participatory for Poverty Reduction	4,177,666	447,785	4,625,451	5,829,164	1,203,713	-
12	Sir Ratan Tata Trust	132,665	132,665	-	-	-	-
		6,493,787	1,123,508	2,810,163	8,144,311	7,058,322	1,611,116
							2,733,236

#### C Course and Programme Fees

		8,545,781	4,741,191	615,336		
	<b>TOTAL (A+B+C)</b>	13547847	5794208	29986596	29158323	6099420
						14505863

## Schedule - 16

### ADMINISTRATIVE EXPENSES

	Year Ended 31-Mar-07 Rs.	Year Ended 31-Mar-06 Rs.
Travelling and Conveyance	293,416	570,427
Rates and Taxes	665,009	483,879
Electricity Charges	2,228,494	1,383,457
Water Charges	208,342	84,527
Printing and Stationery	567,388	492,673
Telephone and Postage	945,900	841,173
Repairs and Maintenance	1,620,244	1,974,641
Car Expenses	168,610	167,577
Car Expenses (Repair)	43,692	-
Audit Fees	35,000	33,570
Audit Fees (PF TRUST)	5,000	5,000
Miscellaneous Expenses	323,014	106,754
Legal Expenses	291,700	345,385
Advertisement Expenses	71,086	130,120
Expenses on 25th Anniversary	-	120,000
Books and Periodicals	1,110,761	1,567,667
Cost of Publications	235,203	232,633
Meeting and Seminar	49,048	34,766
GB Meeting	90,598	90,941
<b>TOTAL</b>	<b>8,952,505</b>	<b>8,665,190</b>
Less: Charged to Academic Activities	5,466,000	6,985,724
Less: Service Tax Recoverable	100,000	
Net Administrative Expenses	3,386,505	1,679,466

DESCRIPTION	Year Ended 31-Mar-07 Rs.	Year Ended 31-Mar-06 Rs.
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### Schedule-17

#### PRIOR PERIOD EXPENSES

Accrued Project Fees Written Off		133,100
Rates and Taxes	308,782	-
Other Recoverables Written Off	24,559	7,668
Leave Salary Provision for previous years	5,259,459	
Advertisement Cost		4,500
Salaries and Allowances		17,155
<b>TOTAL</b>	5,592,800	162,423

## ACCOUNTING POLICIES

### Accounting Policies

1. Accounts are drawn up generally on accrual basis unless otherwise stated. Corporate Membership Fees is accounted on cash basis.
2. Endowment/Earmarked Funds reflect grants received from various organisations for specific purposes. Interest accrued on Endowment Funds is used for specific purposes. Balance of un-utilized interest on Endowment Funds is kept in respective Endowment Earmarked Funds.
3. The Capital Assets Fund has been generated largely out of grants received from various organizations for purchase of Capital Assets and interest accrued thereon. Some augmentation of the fund has also been done out of the Institute's own resources.
4. Additional Liability Fund is created out of the Project Income and Surplus Funds, if any, in light of the Ministry of Finance asking the Institute to meet ten percent of the additional liability arising on account of pay revision following the recommendations of the Fifth Pay Commission.
5. Fixed Assets are stated at cost.
6. 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. The Value of Fixed Assets is shown in Balance Sheet.
7. Provident Fund and Gratuity Liability is being funded by means of contribution to separate Trust. Provision for Gratuity is made on actuarial basis.
8. For the first time provision for leave and encashment of employee has been created based on the actuarial valuation and same stands at Rs.63,92,610. Out of this Rs.11,33,151. pertains to 2006-07 and remaining provision of Rs.52,59,459/- pertains to previous year.
9. Books and Periodicals are charged off to revenue.
10. All foreign currency transactions have been duly accounted for in the books of account at the exchange rate prevailing on the date of transaction.
11. Grants received from donor agencies are initially accounted for as liability and charged to capital or revenue as per utilisation.

**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. However, 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.
  - 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 adhoc bills. The Institute has assessed its liabilities for this period at Rs. 4,01,051 and the same was paid on 29.03.2007. DJB accepted this payment. As per Institute assessment there will be no further liability towards the water charges and accordingly no provision has been made for disputed water bill of Rs. 331125.
2. Leasehold land includes land premium Rs. 1,21,76,966/- and relocation charges Rs. 53,82,000/- (refer schedule 5) 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 11.09.2001, however execution of lease deed is pending due to fixation of land rates by the Central Government.
  3. Account balance under sundry debtors, advances, project fees receivables, sundry creditors and gratuity payable are subject to confirmation, reconciliation and consequential adjustments.
  4. Debtors, Advances and Deposits of Rs. 1,43,35,362/- includes Rs. 1,07,22,121/- paid as advance to NIPFP PF Trust.
  5. The Institute has adopted standard format of Accounts prescribed by Government of India for autonomous bodies and the accounts for 2006-2007 has been presented in this format.
  6. Previous year figures have been rearranged/ regrouped wherever considered necessary to make them comparable with the current year's figures.

Signatories to schedule to 1 to 19.

*sd/-*

(L. Gurumurthy)  
Secretary

*sd/-*

(Dr. M. Govinda Rao)  
Director

*sd/-*

(Dr. C. Rangarajan)  
Chairman

As per our report of even date

**for Ajay K Sud & Associates**  
**Chartered Accountants**

*sd/-*

(Krishna Kumar Singh)  
Partner

Place : New Delhi  
Dated : August 06, 2007